FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Spain frees Carillo on bail

The Spanish Government yesterday freed from jail Sr. Santiago Carillo, the Spanish Communist leader, whose arrest a week ago provoked a storm of protests abroad and violent demonstrations in Spain.

The speed of Sr. Carillo's release by a judge on bail surprised his lawyers and relatives, but a small gathering of Communists witnessed his departure from Madrid's top security jail.

Seven other Communist leaders, who were also arrested a week ago, were bailed. All eight have been charged with illegal association, an offence which carries a six-year sentence.

On Wednesday night Madrid riot police fired rubber bullets, tear-gas and smoke bombs in running battles with more than 1,000 Communist demonstrators protesting against their leader's imprisonment. Back Page

Paoting calmer, China reports

The situation in the industrial city of Paoting, 115 miles south of Peking, is gradually improving, according to Chinese officials. Back Page

Smith rebuff for Richard

Mr. Ian Smith's Rhodesian Government yesterday forcefully repeated its total opposition to Britain participating in an interim administration in Salisbury, where a Foreign Affairs Ministry briefing that Britain was "patently out of touch with the realities of the situation" was seen as a sharp rebuff to Mr. Ivor Richard's diplomatic shuttle. Page 12

We wish our readers a Happy New Year

Role for Jordan in Sadat plan

President Sadat, of Egypt, interviewed by the Washington Post, said that any Palestinian state arising from a Middle East settlement, should be associated politically with Jordan. He said also that Israeli withdrawal from territories occupied in 1967 must be swift and complete. Mr. Yigal Allon, Israeli Foreign Minister, welcomed the Jordan concept. Page 13

Tote demands betting monopoly

The Horserace Totalisator Board calls for a betting monopoly in its submission to the Royal Commission on Gambling. The Tote urges the dismantling of the bookmaking system and reduction of the number of betting shops. Profits would be split between the State and the racing industry. Back and Page 10

N-container radioactive

A nuclear waste container which travelled from the Windscale nuclear processing plant to Wylfa power station in Anglesey was radioactive, British Nuclear Fuels admitted last night, adding that the level of radiation was "trivial."

Briefly . . .

The big freeze will ease for the next few days and temperatures should be above freezing everywhere to-day, according to the London Weather Centre.

The Prince of Wales has been promoted to the rank of Commander in the Royal Navy and Wing Commander in the Royal Air Force.

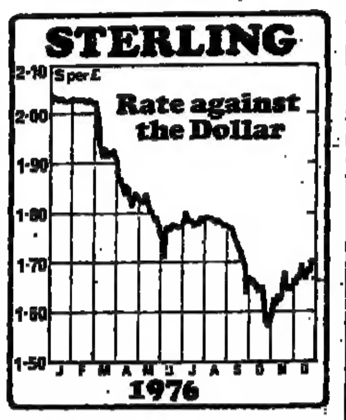
Quads—three boys and a girl—were born yesterday to a 31-year-old mother at Queen Charlotte's Hospital, Hammersmith, London.

BUSINESS

Equities gain 4.9; gilts rise 0.25

● EQUITIES again improved, with more demand for the leaders. The FT 30-share index rose 4.9 to 351.0. The All-Share index gained 1.5 per cent. to 150.31.

● GILTS rose by up to ½ in mediums and longs, but losses in shorts, affected by tight money conditions, ranged to ¼. Government Securities index gained 0.25 at 60.16.



● THE £ lost 50 points at $1.7005 and its weighted depreciation widened to 44.2 (44) per cent. Dollar's was 1.54 (1.53).

● GOLD gained $½ to $135¼.

● WALL STREET closed 4.16 higher at 999.09.

● U.S. MONEY SUPPLY: M1 $311.8bn. ($311.1bn.); M2 $739.7bn. ($739bn.); commercial and industrial loans, up $164m. (down $236m.); key interest rates 4.66 (4.63) per cent.; 90-119 day paper 4.63 (4.68).

● MIDLAND BANK is negotiating to acquire the Thomas Cook minority share stakes held by Trust Houses Forte and the Automobile Association. Back Page

Hastie backed

● INDUSTRY DEPARTMENT, which lost £750,000 when a receiver moved in at John Hastie of Greenock three months ago, is to provide financial support for a new Hastie company wholly-owned by Vickers. Page 11

● NORTH SEA U.K. sector is expected to be producing about 1.1m. barrels of oil a day by this time next year, more than half of the country's expected consumption. Page 11

● BRITISH CALEDONIAN has been granted an increase of 10 per cent. in the number of seats it may offer on its Gatwick to Paris route. Page 11

● THOMSON and Horizon Midlands are freezing their summer holiday prices for next year. Page 10

Ingots to go up

● BRITISH ALUMINIUM has obtained Price Commission approval to increase the prices of primary ingot and related products by an average 9.46 per cent. from to-morrow. Page 11

● IMPERIAL GROUP is absorbing part of the duty increase on cigarettes when most of its brands go up 3p to-morrow, setting the scene for renewed price warfare among the cigarette manufacturers.

● SINGAPORE STOCK Exchange, reports pre-tax profits in options trading scheme on February 1. Page 19

● MEXICAN GOVERNMENT has raised minimum wage levels by 9 per cent. in a bid to avert labour unrest while preventing a new surge of inflation. Page 13

COMPANIES

● FODENS, commercial vehicle manufacturer, made a pre-tax profit of £343,000 in the 28 weeks to October 16, against a loss of £797,000 in the same period last year. Page 16 and Lex

● SLATER WALKER Trust Management, which has been renamed Britannia Group, is to resume an active marketing policy. Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 12¾pc 1992	£86¼	+ ½
Assoc. Newspapers	123	+ 10
Barclays Bank	247	+ 7
BATs Inds. Dfd.	225	+ 5
Border and Southern	207	+ 7
Bowater	180	+ 5
Dundonian	47	+ 6
Gestetner A	153	+ 6
GUS A	182	+ 9
Hall Engineering	74	+ 7
Hawker Siddeley	449	+ 11
Hawkins and Tipson	44	+ 4
Henlys	86	+ 6
Hillards	92	+ 7
Hoffnung (S.)	81	+ 6
HK and Shanghai	384	+ 8
ICI	334	+ 7
International Paint	340	+ 35
Lloyds Bank	202	+ 7
Metal Box	247	+ 7
Mills (A. J.)	63	+ 10
Pilkington Bros.	272	+ 7
Royal Insurance	268	+ 6
Sharpe (W. N.)	56	+ 6
Smith (W. H.) A	326	+ 6
Thomson	380	+ 10
Thorn Elect. A	202	+ 8
Unilever	427	+ 7
Unitech	56	+ 5
United Real Prop.	188	+ 5
Weyburn Engineering	350	+ 16
Whtmn. Reeve Angel	175	+ 8
Wigfall (H.)	95	+ 5
BP	812	+ 14
Tricentrol	100	+ 7
Cons. Murchison	600	+ 20
St. Piran	70	+ 5
West Driefontein	£19¼	+ ½

NEW YEAR MESSAGE FROM THE CHANCELLOR OF THE EXCHEQUER

Foundation for growth

MR. DENIS HEALEY

The Year 1976 was a disappointing one for the whole of the industrialised world. In the early months a strong recovery seemed well established; when the five heads of Government met in Puerto Rico at mid-summer they looked forward to a period of steady growth and falling inflation. We now know that at that time recovery had already suffered a check in most countries.

Although it is now moving forward again, most Governments have been revising downwards their estimates of the growth likely next year. Moreover, in many countries unemployment and inflation have begun to rise again.

In 1977, the industrialised world will have to re-assess the targets it set itself in 1976, and reconsider some aspects of policy in the light of its judgement of what went wrong. General elections have taken place in the countries with the three strongest economies, and the new Governments, on whose economic leadership the rest of the world depends, are well placed to make this reappraisal.

Measures taken

The pause in world growth last summer hit Britain badly, particularly since the Government relies primarily on exports for the demand which must stimulate domestic output.

Up to that time the Government was achieving many of its objectives. There had been a shift of resources into the balance of payments equivalent to 2½ per cent. of GDP compared with 1973. Exports rose 10 per cent. in volume over the 12 months to the third quarter. The £6 pay policy combined with monetary and fiscal restraint had halved the rate of inflation. Employment and investment had begun to rise in manufacturing industry.

However in the summer months a malignant interaction between the exchange rate, the money supply and interest rates made it clear that drastic action was required to ensure that the Government's internal and external deficits could be financed without refuelling inflation or damaging industrial confidence. The necessary measures have now been taken.

Britain therefore enters 1977 with a firm financial and monetary foundation for sustainable growth. Massive sales of gilts should ensure that Domestic Credit Expansion in the year to April, 1977, is below £9bn. as planned.

The second phase of the pay policy, like the first, has won an unprecedented degree of compliance. Settlements covering nearly 4m. people have already been made within it.

Our exports are more profitable and more competitive in price than they have been for many years and the Government has pledged itself to maintain stability in the exchange markets without losing the competitive position of U.K. manufacturers, both at home and abroad.

Public spending is more effectively controlled than ever before, not only through the operation of new techniques like cash limits but also by the firm determination of the Government to see that the ceilings set are not exceeded. In the next financial year, public expenditure will be 2 per cent. lower in constant prices than it is this year and the public sector borrowing requirement will represent 6 per cent. of our Gross Domestic Product as against 9 per cent. this year.

We should therefore see a continuing fall in interest rates—slow at first but gathering speed as the fall in inflation resumes and the current account moves towards surplus later in the year. This will produce a more buoyant climate for industrial decisions.

All the financial indicators will at last be moving in the right direction—declining interest rates, greater stability in the exchange markets, firm control of public expenditure and of the monetary supply.

I have set firm and severe targets for Domestic Credit Expansion and for the associated growth in monetary aggregates. This ensures that the prospect for exports will not, as sometimes in the past, be damaged by over-stimulation of domestic demand. But the new monetary targets will not in any way inhibit any growth which is generated by the balance of payments.

Hard prospect

Our economic performance will now depend on the success of private industry in responding to the opportunities for increasing the volume of our exports and competing more effectively with imports in the home market.

The forecasts I have published make it clear that a marginal improvement in exports and import substitution could increase our likely growth rate from 2 per cent. to 3 per cent. and bring forward both our balance of payments surplus and the point at which unemployment will begin declining.

But the immediate prospect remains a hard one on any hypothesis. Unemployment is likely to continue rising and past depreciation will prevent inflation from falling before the middle of the year.

In the coming months we shall be continuing to work with the trade unions and the employers in our collective industrial strategy. The NEDC Council will discuss reports from the sector working parties in February. The Government will do its best to ensure that their findings secure a practical and realistic response.

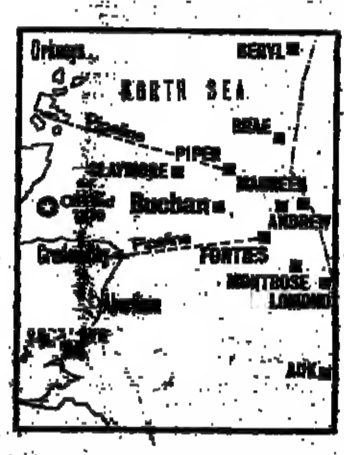
The Government also hopes to provide better financial incentives for the necessary improvement in our industrial performance. I have already decided to improve the tax treatment of those working abroad at the sharp end of exporting.

I am also concerned to create the conditions in which it will be possible to reduce income tax in the next Budget, particularly at both ends of the earnings scale. But I can give no commitment in this field before I know what agreement can be reached on the next round of pay policy—I hope in good time for the Spring Budget.

The recent economic measures should be seen as one element in a three-year recovery programme to which the developing industrial strategy and new policies on pay and taxation will make equally important contributions. But the key to its success will lie, as always, with management and work-force at the level of the individual firm.

FORECASTS FOR 1977—The British economy, Page 14; The U.S. and Europe, Page 15; Views of leading industrialists, Page 9 and 10.

North Sea plan to develop Buchan Field



BY RAY DAFTER, ENERGY CORRESPONDENT

A DECISION to develop a new North Sea find—the Buchan Field—using a subsea production system is expected to be announced in the New Year.

Transworld Petroleum, as operator for the field, said yesterday that it had successfully encountered the field reservoir with its latest development/appraisal well.

Mechanical problems were met, however, and the well had been suspended for the winter months. It would be re-entered for deepening, testing and completion "as a producer" at a later date.

The well was offset from the second hole sunk in block 21/1, 96 miles North-East of Aberdeen. This well would also be re-entered and used for production.

Development plans presently being considered include the provision of a central subsea production system, possibly linked to a "floating platform"—a converted rig.

Alternatively, the Buchan Field might be linked to the main Forties Field production system. It is reported in the industry that British Petroleum, which owns Forties, has discussed the possibility of buying a stake in the Buchan Field.

Present reserve estimates for Buchan vary between 115m. barrels and 250m. barrels, a small find in comparison with Forties and Brent. A modest production system should make the Buchan Field a viable development proposition, however.

Transworld also announced that an exploration well on a separate structure in the block drilled in conjunction with Texaco, had been abandoned. Hydrocarbon shows were encountered in the Jurassic zone and results will be evaluated before the groups decide on any further drilling.

Interests in Transworld Group are: CCP North Sea Associates, 21.17 per cent.; Gas and Oil Acreage, 7.5 per cent.; Charterhall Finance Holdings (and Lochiel Exploration), 1.33 per cent.; Apexco Inc., 14 per cent.; Candel Oil (94.6 per cent. owned by St. Joe), 14 per cent.; City Investing Company, 28 per cent.; St. Joe Minerals Corporation, 14 per cent.

Optimistic forecast Page 11

Frigates sail to guard extended fishing zone

BY MALCOLM RUTHERFORD

THREE NAVY frigates leave Britain to-day to protect the new 200-mile fishing limits which go into effect from midnight to-night.

They will be backed by four Nimrod surveillance aircraft, a new Island class vessel already in service, plus another frigate which left on Tuesday to police the waters off the west coast of Scotland.

Senior officials emphasise that Britain is not seeking a confrontation with unauthorised foreign trawlers in the very early stages of the new regime, but it is clear that the 200-mile limits will be protected by force if necessary.

The first problems could arise with Bulgaria and Romania, whose Governments, like those of Cuba and Japan, have been asked to withdraw all their trawlers from the extended limits by midnight.

There were still eight Bulgarian trawlers and one Romanian in the English Channel yesterday.

Britain has decided to exclude Iceland. But this may be only on a temporary basis pending the success of negotiations between Iceland and the EEC which would allow British trawlers back into Icelandic waters.

The position of the Soviet Union, which is responsible for much the largest non-Community catch in the new limits, is more complicated.

The Russians, like the Poles and East Germans, have been offered a reduced catch for the first three months of the New Year. In the meantime they have been asked to negotiate a longer-term reciprocal arrangement with the European Community.

If they fail to do this, they will be asked to withdraw altogether on April 1.

Since the Soviet Union so far has refused to recognise the Community, it is uncertain whether negotiations will take place.

The Soviet catch in the extended Community limits has recently been running at an annual rate of about 600,000 tonnes against a Community catch within 200 miles of the Soviet coast of about 60,000 tonnes.

£ in New York

—	Dec. 30	Previous
Spot	$1.7010-7030	$1.7068-7080
1 month	1.73-1.69 dis	1.75-1.70 dis
3 months	4.45-4.40 dis	4.41-4.36 dis
12 months	13.70-13.60 dis	13.60-13.50 dis

Thomson peerage could pave way for return to politics

BY RICHARD EVANS, LOBBY EDITOR

MR. GEORGE THOMSON, one of Britain's two retiring European Commissioners, is among five life peers in the New Year's Honours list published to-day. The award could pave the way for his return to the Government.

There is no life peerage for Sir Christopher Soames, the senior retiring Commissioner, who is continuing his efforts to secure a seat in the Commons.

Sir Christopher has been looking for a safe Conservative seat for some months and has been tipped by Tory MPs as a future Foreign and Commonwealth Secretary if Mrs. Margaret Thatcher gains power.

The honours list, the first prepared in its entirety since Mr. Callaghan became Premier, puts great emphasis on the achievements of industrialists and businessmen, particularly in the export field.

Among five knighthoods awarded for export achievements are those to Mr. Kenneth Bond deputy managing director of the General Electric Company since 1966, and Mr. Havelock Hudson, chairman of Lloyd's since 1975, and an underwriter since 1952.

The other export knights are Mr. Robert Booth, chairman of the National Exhibition Centre, Mr. John Rix, managing director of Vosper Thornycroft, and Mr. James Woodeson, chairman of Clarke Chapman and Reyrolle Parsons.

Also made knights are Mr. Alexander Page, chairman and chief executive of Metal Box, Mr. Denis Rooke, chairman of British Gas Corporation, and Mr. Danny McGarvey, president of the Amalgamated Society of Boilermakers.

In all, 26 awards are made to leading exporters—a higher total than usual. Among the export CBEs are Mr. John Halbert, deputy chairman and managing director of Associated British Machine Tool Makers, Mr. James Hendin, assistant managing director of Vickers, and Mr. Joseph Patrick, vice-president, Europe, of Cummins Engine Company.

A CBE also goes to Mr. Bob Ramsey, director of industrial relations at Ford, after the company's greatly improved labour relations record.

Apart from Mr. Thomson, the new peers are Mr. Edward Short, former deputy leader of the Labour Party and now chairman of the State-owned Cable and Wireless, Mr. Brian Faulkner, former Prime Minister of Northern Ireland and now retired from active politics, Sir John Baker, former Professor of Mechanical Sciences at Cambridge, and Sir Morrice James, formerly British High Commissioner in Australia.

The arts once again feature prominently, with knighthoods for Mr. Donald Albery, for services to the theatre, and Mr. Clifford Curzon, the concert pianist.

The CBE goes to Mr. Norman Bailey, the singer and Mr. Gavin Boyd, chairman of the Scottish Opera Theatre Royal, and the OBE to Mr. Leonard Grant, secretary and chief accountant at the Royal Opera House, Covent Garden.

Details Page 8

Financial Times

The price of the Financial Times will be increased to 12p with effect from Tuesday, January 4. This increase is necessitated by continuing steep rises in costs, including the cost of newsprint.

PUBLISHER'S NOTICE

The Financial Times will not be published to-morrow or on Monday.

FEATURES

ON OTHER PAGES

For latest Share Index phone 01-246 8026

هكذا من الأصل

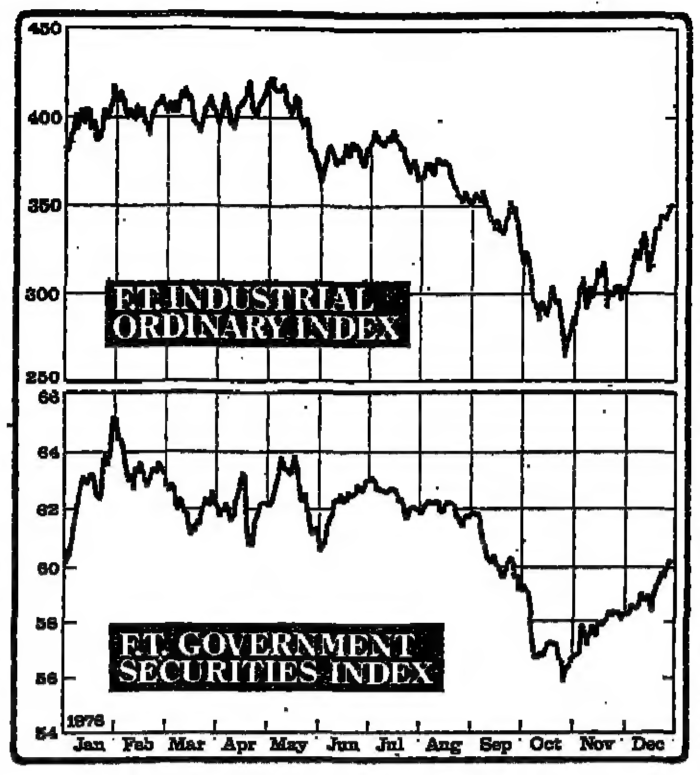
The week in London and New York

Equities edge above 350

ONLOOKER

Equities have moved up 7.6 points in the two days since the Stock Exchange reopened on Wednesday and at 351.0 the 30-Share index is now 6 per cent. higher than it was at the start of the three week Christmas account. Turnover has been reduced to a trickle, but market attendance should be back to normal next week. For the *record, the 30-Share index is* now back to its level at the start of September which means that the market—touch wood for to-day—is closing 1976 within a sixth of its peak for the year.

Wall Street has been rallying strongly of late. And although no one is suggesting that world trade will boom in 1977 the latest economic indications to come out of the U.S. are looking more cheerful. At home the market pressures for a further easing of interest rates are still being applied: gilts have continued to edge upwards: and on Wednesday sterling managed to burst through the $1.70 barrier—to reach its best level for three months.



The gilt-edged market is now looking in much better fettle than it has done for some time.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM DECEMBER 1	% change
Lt. Electronics, Radio & TV	+22.2
Electricals	+21.4
Breweries	+19.7
Banks	+19.6
Stores	+18.8
Hire Purchase	+18.6
All-Share Index	+13.3

THE WORST PERFORMERS	
Household Goods	+ 8.9
Newspapers, Publishing	+ 7.7
Machine & Other Tools	+ 7.3
Packaging & Paper	+ 6.9
Tobaccos	+ 4.8
Insurance Brokers	+ 1.4

After a nervous hiccough, it has digested the Government's IMF package and our gilts index has risen by 1½ points in the last fortnight. With the short tap—Exchequer 13 per cent., 1980—on its last legs, and a new long tap issue (£750m. of Treasury 15¼ per cent., 1996) scheduled for to-day, the Government has *virtually completed its funding* programme for the current financial year, having sold close to £6½bn. gross of gilts.

With this pressure now easing rates should start to fall and the yield curve return to a more normal, and steeper pattern, with the gap between short and long interest rates widening. Until the autumn the Government's gilts sales programme had been running badly behind schedule and not until MLR had been hoisted by 3½ percentage points to 15 per cent. at the start of October, did the Government start selling gilts in serious quantities, since when eight tap stocks valued at £4¾bn. have been issued.

There have been three small cuts in MLR since mid-November and further cuts look on the cards once the safety-net for the sterling balances is finalised—hopefully, next month. For gilts this could mean that short rates of interest may drop significantly over the coming months with the longs falling by up to 1 percentage point. But the current low level of institutional liquidity could dampen the recovery.

Dearer beer

According to reports this week, most of the major brewers intend to increase beer prices along with the new duty increase which takes effect next month. In itself this is not sur*prising for the leading brewers* appear to have been raising prices on a quarterly basis ever since the Price Code was relaxed. But the psychological effect of what could amount to a full 2p on a pint (1p of duty and 1p for the brewers) is bound to hit demand in the short term. However the early part of 1976 was a depressed period for beer output—January was down 16 per cent. and February 8½ per cent.—so this is unlikely to be too damaging. And volume overall in 1977 is unlikely to fall by more than 2 per cent. At the same time cost pressures are easing and any further round of price rises may well be delayed until the summer.

Meanwhile the regional brewers have, for the most part, been holding down prices and with the cost-to-the-consumer differential between them and the nationals getting even wider there is bound to be a continued shift in volume towards the smaller groups. For that reason the best profit increases next year may well emerge from the regional producers.

The brewers have been flat performers this year, falling a tenth against 6 per cent. for the market as a whole, though since the mini-Budget there has been a revival (see our short-term performance table). Over the past couple of weeks the sector has risen an eighth—Bass is 15 per cent. higher.

Bid hurdles

Two of the current crop of bid situations have to clear a hurdle of sorts next week. Booker McConnell's offer for Kinloch (Provision Merchants) reaches an initial acceptance date on Friday while on the preceding Wednesday Johnson and Firth Brown will likewise be deciding whether to extend—or increase—its bid for Dunford and Elliott.

Booker received Board support a month ago when it raised its cash terms by an eighth to 235p: that compares with 135p for Kinloch ahead of a bid which always looked to have been rushed out because of a strong rally in the Kinloch share price. *Booker shareholders may feel* less than sanguine with the situation given that the exit p/e for Kinloch on forecast 1975-76 profits is roughly double the average for industrial companies at 11. Kinloch closed yesterday at 235p: Dunford and Elliott stand at 40p.

Time is less pressing over at Whitecroft where an offer of 122p in cash has only just been received from major shareholder Hanson Trust. Hanson already owns a quarter of the company and the bid compares with 89p for Whitecroft before the deal was announced and forecast 1976 earnings per share of only 7p. Undeterred the Whitecroft Board is playing hard to get: profits are moving up off a three year plateau and the last balance sheet contained £3.2m. in cash—which represents more than a quarter of the current market capitalisation.

Swansong

Our rubbers index has written itself an impressive swansong for 1976 with an increase of 24.6 per cent. on the year (up to yesterday) which places it third in the Leaders and Laggards table of actuaries sectors. The index is to be discontinued in 1977 because of the impending Malayanisation of most of its constituents. And, of course, some of the recent share price strength of the sector has been due to speculation on the inclusion of the investment dollar premium in share prices following migration.

Before long there are likely to be precious few plantation companies based in the U.K. for tax and foreign exchange purposes. Guthrie and Plantation Holdings will still be with us but these two are both widely diversified and their 1976 share price movements bear little relation to the rubbers sector. Even so, plantation shares could still retain some glamour in the new year. The rubber price which climbed steadily for most of 1976 to a peak of 63½p per kilo in November, is still fairly solid at 50½p, compared to 38½p at the beginning of the year. Moreover, natural rubber is still recovering its market share from synthetic materials.

MARKET HIGHLIGHTS OF THE WEEK

The following table lists the changes in the FT Industrial Ordinary share index and its constituents over 1976 based on yesterday's close. The FT-Actuaries All-Share index is also given.

	Price y'day.	% Change since 31/12/75	1976 High	1976 Low		Price y'day.	% Change 31/12/75	1976 High	1976 Low
FT Ind. Ord. Index	351.0	−6.6	420.8	265.3	Guest Keen	276	+3.7	360	203
Allied Breweries	61	−10.3	77	45	Hawker Siddeley	449	+27.2	490	334
A.P. Cement	155	−16.7	202	112	ICI	334	+1.8	402	256
BOC Int.	62	...+9.7	65½	45	Imperial Group	63	−22.2	88	50½
Beecham	382	+10.7	390	269	London Brick	37	−38.3	64	27
Boots	120	−4.8	148	79	Lucas Industries	207	+16.9	222	128
Bowater	180	+4.0	230	122	Marks & Spencer	98	+2.1	108	70
Brown (J.)	97	+32.9	110	66	P. & O. Defd.	124	+25.2	124	87
Cavenham	91	−31.6	136	75	Plessey	73	−3.1	84	45
Courtaulds	87	−41.6	169	73	Spillers	25½	−39.3	46½	20
Distillers	123	−13.7	158	95½	Tate & Lyle	258	+4.0	295	192
Dunlop	77	+11.6	98	57	Tube Investments	298	−5.7	388	236
EMI	225	−5.1	277	173	Turner & Newall	135	−5.6	175	109
GEC	169	+19.0	171	112	UDS	52	−40.2	98	40
Glaxo	402	+8.6	422	280	Vickers	143	−4.7	200	110
Grand Met.	61	−22.3	88	41	FT—A. All-Share	150.31	−4.9	172.64	116.29

U.K. INDICES

Average week to	Dec. 30	Dec. 23	Dec. 17
FINANCIAL TIMES			
Govt. Secs.	59.93	59.50	58.85
Fixed interest	60.22	59.90	58.86
Indstl. Ord.	346.8	341.1	326.8
Gold Mines	119.0	116.0	120.1
Dealings mkd.	2,567	4,547	4,939
FT ACTUARIES			
Capital Gds.	129.77	127.41	122.81
Consumer (Durable)	132.26	110.44	106.06
Ind. Group	137.05	131.26	126.42
500-Share	159.98	157.65	151.85
Financial Gp.	112.57	111.04	107.73
All-Share	148.48	146.20	141.03
20-year Govt.	46.06	45.37	44.80
Red. Debs.	46.59	46.57	45.83

Looking up

BY JAY PALMER

NEW YORK, Dec. 30.

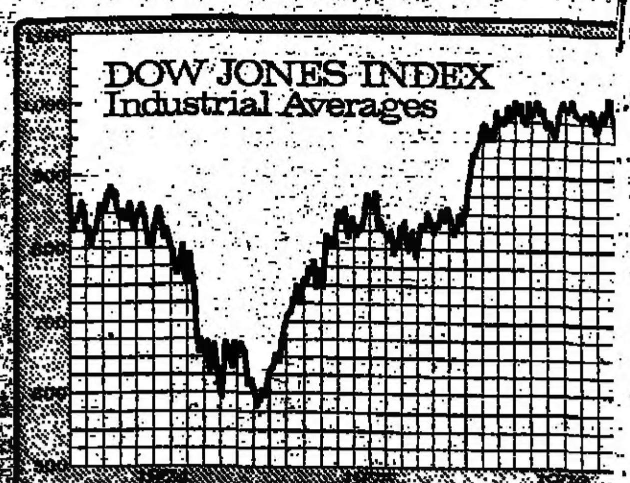
FOR THE TWELFTH time this year, Wall Street's Dow Jones Industrial Index, the leading indicator of New York share prices, last week passed through the 1,000 mark only to fall back into the 900s in the next day's trading. While it remains to be seen whether or not this index can manage to start the New Year above this psychological level, few now seem to doubt that 1977 will see a strong upward push in prices to new highs.

The "Santa Claus" rally mentioned in this column last week has occurred and, on the face of it, this is a traditionally good omen for the coming 12 months. Gains seen in the final days of the old year and the first days of the New Year are more often than not a trend setter for the market's performance over the month of January.

This in itself would obviously not amount to all that much. However, there are still those romantics in the market who still seriously uphold the reliability of the so-called "January barometer" as an accurate predictor of the annual course. Over 24 of the last 27 years, upward or downward price trends in January have been respectively followed by bull or bear markets over the coming year.

The only worry now over this impressive 89 per cent. correct batting average is that the market's unusually high buying volume over this last week might just represent some bullish business that "should" have fallen in January. Usually we can expect little price change in high volume at this time.

While the bullish trend now is clearly a strong point in favour of those who predict a Dow Jones Index of over 1,200 by the end of 1977, some say that the surge in prices could run out of steam and falter early next spring.



Over the course of 1976 to date, the market is well ahead. On the basis of closing prices last night, the Dow Jones Industrial Index is up from 852.41 to 999.09, a gain of 14.6 per cent. The more widely-based and undoubtedly more representative Standards and Poors (50[0]) [com]posite Index shows a simi[lar rate] of gain from 90.19 to [...] representing a rise of 1[...] cent.

Day	Change
Monday	996.09
Tuesday	1,000.08
Wednesday	994.93
Thursday	999.09

Mining — *Views from the top*

MR. MURRAY HOFMEYR, LORD ERROLL OF HALE, SIR MARK TURNER AND MR. A. CHESTER BE[ATTY]

LOOKING AHEAD, as mining men must do, is never an easy business and it is as difficult as ever at the moment. So this year I decided to ask the chairmen of the four leading U.K.-registered mining finance houses to give their views for the end-year issue of our weekly mining column, writes mining editor, Kenneth Marston.

So without more ado, I am privileged to introduce the top men in the alphabetical order of the companies they lead, thus starting with the Charter Consolidated chairman, Mr. Murray Hofmeyr.

He says: "In 1976 metal prices generally and copper prices in particular once again provided a fair measure of surprises. The increase from £588 per tonne (54c per pound at £1 = $2.03) in January to £922 (75c at £1.79) in July was surprising only for the extent and swiftness of the rise. In contrast, the month by month decline thereafter to an average of £766 (59c at £1.70) for December has confounded all forecasts.

Currently the fashionable view is that the price of copper—and the other main metals—will show only limited improvement during the second half of 1977 and that the present over supply position will continue for at least five years, resulting in relatively weak prices throughout this period.

*While there is plenty of statis*tical evidence to support this view, it will only be proved right if investors continue to take decisions to open up new mines. Before taking such a decision an investor will want to satisfy himself that: He can finance at least half the cost of the mine from third party loans on reasonable terms; he can achieve adequate protection against political risks at least in regard to his obligation to repay third party loans; there will be a price of not less than 90c per pound (£1,200 per tonne at to-day's rates) during the all important first five years of production.

In practice these decisions are influenced more by actual current prices than assumed future prices. It may be that there is some inherent contradiction in the supply-demand-price equations.

I think we can look forward to being surprised once again both in 1977 and in the five-year period. The gap—now at an all time high—between the current copper price and the price needed to open a new mine cannot last."

Lord Erroll of Hale, chairman of Consolidated Gold Fields points out that: "The mining industry is particularly sensitive to economic developments. During the last two years it has been hard hit by the very severe world recession. We are promised a somewhat better business environment during 1977, but even if that eventuates, stocks of most *metals and minerals are excep*tionally high and will continue to weigh heavily on world markets for some time to come.

Although 1977 may prove a little better than the last two years, I doubt if the cash flow to the mining industry in general will be adequate to finance the expansion of capacity which will be needed in the years ahead.

Because of its role as a store of monetary value, gold enjoys *a unique pattern of price* behaviour. In the last few months, demand has been adquate to absorb the material auctioned by the International Monetary Fund together with a large volume of sales from the Soviet Union. The fashion in economic policy seems to be turning again to reflation through enlarged Government budgetary deficits, despite continuing high levels of inflation.

I suspect that in these circumstances an ever-growing number of people will attempt to protect their wealth through the purchase of gold and that this may well result in a higher price later in the coming year. Consolidated Gold Fields is well placed to take advantage of this development."

From the chairman's office of Rio Tinto-Zinc, Sir Mark Turner writes: "I would expect the world economy to show an improvement during 1977, somewhat slowly during the early part of the year, but gathering momentum as the year proceeds. On the basis of existing stocks, and subject to any undue stimulation of the U.S. economy by the new president, I would not expect any major change in the price trend (ignoring short-term market movements) of most metals during the year.

However, predictions are rendered extremely difficult by virtue of the unknown outcome of the UNCTAD negotiations on stockpiling schemes. Moreover, there is always the difficulty of *assessing the psychology of the* market place and its effects on metal prices. Circumstances can always occur when a sudden expectation of higher demand arises, and causes consumers to fill up their pipelines to guard against sudden unexpected increases in short-term prices and possible interruptions in supplies.

I have no doubt that raw material prices will move gradually up over time; the increased capital costs brought about by inflation in bringing new mines, smelters and refineries into production call for prices considerably in excess of those currently ruling, and an upward price adjustment must inevitably take place sooner or later — sooner for some metals and later for others.

In summary, I should expect higher prices in 1977 than in 1976, but on pure grounds of supply and demand and with the large stockpiles in many metals, I doubt whether dramatic price increases are likely.

Aluminium could be an [excep]tion to this general tre[nd."]

Finally, we have [Mr.] Chester Beatty of S[election] Trust who comments: "[There is] no doubt there are admirers of the late S[ir Noël] Coward who during 19[...] have recalled more th[an once] that delightful if po[...] depressing song which [...] 'There are bad time[s just] around the corner.' A[lthough] I count myself amo[ng his] admirers, I am not receptive to this particu[lar pro]position. It was not written for mining men[...]

In the metal mining [...] long-term optimism is a[...]tial and, as chairm[an of] Selection Trust, I am concerned with the outl[ook] around the corner in [...] with that for a few years. For those years ahead I [take a] firmly optimistic view.

To-day the world obtai[ns] its producing mines s[...] *metals for its needs*, in some cases mor[e than] sufficient. At the sam[e time] the capital costs of m[ine de]velopment have in[creased] enormously, which mea[ns that] on current metal prices [the re]turn on new min[es is] inadequate.

The industrialised w[orld de]pends on metals. Ev[en dis]counting growth factors [...] need larger and larger [quanti]ties, which will not be a[vailable] without an adjustment [of the] present price-cost relat[ionship].

Therefore, unless an [appro]priate advance in raw m[aterial] prices changes the im[balance] with costs, the world [faces a] shortage of metals for t[he pur]pose merely of sustain[ing our] present way of life.

This obviously raise[s] issues affecting world eco[nomies] but I am satisfied that t[he con]ditions to meet this necessity will evolve."

THE FINANCIAL TIMES, published da[ily except] Sundays and holidays. U.S. su[bscription] $167.00 (air freight) $334.00 (air [mail] per annum. Second class postage paid [at New] York, N.Y.

Bridge — *Scylla and Charybdis*

THE POPULAR International Bridge Festival at St. Moritz is being held next month from Monday, January 10 to Saturday, January 22. Besides Open and *Mixed Pairs and a Teams-of-*four competition there is a rubber Bridge event which opens the proceedings. Money prizes are awarded to those who finish high up, and there are also valuable and attractive prizes for those who fail to win the major awards. The organisation of the festival is in the hands of Count Fabricotti, who should be contacted for entries and further information at 25, Kurfuersten Strasse, *Zurich, Switzerland.*

In a recent rubber my partner in the North seat dealt this hand at a love score:

```
              N.
            ♠ A Q 2
            ♡ J 9 5
            ◇ 8 5
            ♣ A 7 6 5 3
W.                          E.
♠ 9 4                       ♠ 8 7 6 3
♡ 10 7 4 3                  ♡ K 8 2
◇ A J 6 3                   ◇ 10 9 2
♣ Q 10 2                    ♣ K J 9
              S.
            ♠ K J 10 5
            ♡ A Q 6
            ◇ K Q 7 4
            ♣ 8 4
```

After two passes I opened the bidding with one spade, North raised to three spades, and I bid four. When West led the four of spades and dummy appeared with only three-card trump support, I was for a moment annoyed that my partner had not bid two clubs which might have paved the way to an easier contract in three no trumps, but I recovered my composure, accepted the bid as reasonable, and set about the problem of how to make ten tricks. I won the lead with the Queen on the table, led a diamond—the position of this suit had to be clarified—and put up my King.

Unfortunately, West took with the Ace and returned his second trump, which I won in hand, and it was now clear that to have any chance of success I needed to find East with the heart King. I cashed the diamond Queen, ruffed a diamond with dummy's Ace of trumps, led a low heart, and finessed the Queen. It was a relief when the Queen held, but there was still a long way to go. I drew the two remaining trumps, which were both with East, and threw two clubs from the table, while West discarded a heart and a club.

At this stage the position was:

```
              N.
            ♠ —
            ♡ J 9
            ◇ —
            ♣ A 7 6
W.                          E.
♠ —                         ♠ —
♡ 10 7                      ♡ K 2
◇ J                         ◇ —
♣ Q 10                      ♣ K J 9
              S.
            ♠ —
            ♡ A 6
            ◇ 7
            ♣ 8 4
```

I was reasonably sure of the distribution, and knew that an endplay against East would be certain to work. Then I saw that if West had the ten of hearts, the endplay against him would be equally effective. I had won seven of the eight tricks so far played, so I threw West in with a diamond, dummy and East discarding clubs. When West led the Queen of clubs, which I took on the table, an interesting situation arose.

If East followed with the Knave, a club continuation would endplay him and force a lead away from the heart King. If, on the other hand, he jettisoned his King, West would be endplayed — and this is what actually happened. West made the club Queen and then led the seven of hearts, I covered with the nine on the table, and as this forced East's King, the contract was made.

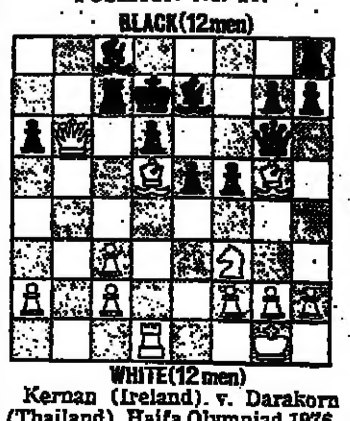
*A pleasing, though not a sen*sational hand. After the trump leads have prevented any chance of ruffing two diamonds, there is really no other line to adopt. To set up clubs, relying on a 3-3 break in both black suits, is asking too much.

E. P. C. COTTER

Chess — *Centre strikes again*

POSITION No. 147

BLACK (12 men)

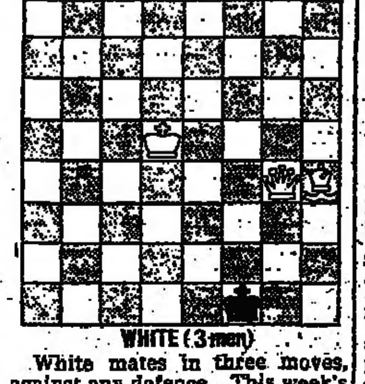


WHITE (12 men)

Kernan (Ireland) v. Darakorn (Thailand), Haifa Olympiad 1976. Bernard Kernan, Ireland's best player, scored a good 7½ out of 11 in the Olympiad, and this was one of his quickest wins. How does White (to move) exploit the stranded black king?

PROBLEM No. 147

BLACK (1 man)



WHITE (3 men)

White mates in three moves, against any defence. This week's problem, which defeats many solvers, can take a little of the credit for the USSR's status as the strongest chessplaying nation —it was one of Lenin's favourites.

Solutions Page 5

THE NEW plan of attack against the well-known Grunfeld Defence to the queen's pawn, discussed here on October 2 has started a fashion. Understandably so, I think; as shown in the earlier article, White's system is easy to remember and depends on a clear-cut and logical idea.

To brief readers who missed or mislaid the earlier article, the new system aims to make active use of the two central pawns abreast which feature in the Grunfeld after the routine opening moves 1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, P-Q4; 4 PxP, NxP; 5 P-K4, NxN; 6 PxN.

Till now, the conventional exploitation of White's pawn front has been either to push the queen's pawn and then to use the white pieces to invade Black's queen's flank, utilising the QB6 outpost guarded by the advanced pawn; or to advance White's king's bishop's pawn up the board to KB5 and mass attacking forces behind it.

Neither of these traditional plans has had quite the success of the new concept. White's strategy in recent tournaments has been to use the king's pawn, plus the squares it controls, as the focal point for a promising operation against the black *king. The white knight goes from* K2 to KB4, the queen jumps into action at KN4, and the king's rook's pawn advances to weaken the black king's defences.

In the two grandmaster games quoted in the earlier article, Black's game crumbled quickly in both Timman v. Adorjan and Gligoric v. Tukmakov. Nowadays such games are quickly known all over the world via the theoretical journals Chess Informant and The Chess Player, and it is a safe bet that many Grunfeld players looked over these two games and made their mental suggestions for improvement. A logical plan is to organise the black pieces against the white pawn centre so as to fight back while White is committed to his king's side action.

This natural counter was tried out in two other important games: Kavalek (U.S.) v. Zeshkovsky (U.S.S.R.) in the Manila interzonal, and in Balashov v. Gulko in the Russian championship earlier this month. White's pawn centre easily triumphed again on both occasions despite Black's pre-game homework.

The Grunfeld occurs more in master tournaments than in club games, but it is still one of the major defences to 1 P-Q4. Thus a system against it which requires the study of only four master games as preparation is well worth a look; strong amateurs all over the world will now consider the approach shown *in this week's games as their* standard counter to the Grunfeld.

White: L. Kavalek (U.S.). Black: V. Zeshkovsky (USSR). Opening: Grunfeld Defence (Manila 1976).

The opening moves were: 1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, P-Q4; 4 PxP, NxP; 5 P-K4, NxN; 6 PxN, B-N2; 7 B-QB4, P-QB4; 8 N-K2, O-O; 9 O-O, N-B3; 10 B-K3, Q-B2; 11 R-B1, N-R4; 12 B-Q3, P-N3; 13 N-B4, B-N2; 14 P-K5, QR-Q1; 15 Q-N4, N-B3; 16 KR-Q1, P-K3; 17 P-KR4.

White's 13th, 14th, 15th and 17th moves are the key to the attacking pattern made familiar by Gligoric's game in the previous article. The king's side attack based on switching the rook to KB3 via Q3, coupled with possible sacrifices on [...] proves stronger than attempts to gain counterp[lay on] the QB and Q files with his [...]

The game ended 17 ... 18 P-R5, BPxP; 19 BPxP, [...] 20 PxP, RPxP; 21 Q-R4, [...] 22 RxN, R-B1; 23 R(1)-Q1, [...] 24 B-Q2, Q-Q1; 25 Q-N4, [...] 26 B-N4, Q-B1; 27 R-KR3, [...] 28 B-Q6, R-B6; 29 P-B3, [...] 30 B-K7, BxKP; 31 Q-R4, R[...]

In the recent Balashov game, Black tried to o[btain] faster counterplay. He [at]tempt[ed] on Zeshkovsky's pl[an by] placing his queen at once [...] and speeding up his rook p[awn on] the queen's side files. But [White] still won convincingly.

White: Y. Balashov. Bla[ck: B.] Gulko. (moves 1-6 as in th[e pre]vious game) 7 B-QB4, [...] N-K2, Q-Q2; 9 O-O, P-N3; 10 [...] B-N2; 11 N-B4, P-K3; 12 [...] P-QB4; 13 B-K3, N-B3; 14 [...] PxP; 15 PxP, KR-Q1; 16 [...] (not 16 NxKP? N-R4; 17 B-Q4), QR-B1; 17 P-R5, [...] 18 B-N3, B-K5; 19 P-R6, [...] (BxRP; 20 NxNP); 20 Q-N3, [...] 21 N-R5, K-B1; 22 N-B4, [...] (better K-N1 putting the o[nus on] White); 23 B-Q2, P-R4; 24 [...] ch, PxB; 25 BxB, RxB 26 [...] Q-B2; 27 QxP ch, K-N1; 28 [...] R-B5; 29 Q-N5, K-B1; 30 [...] R-Q4; 31 Q-N3, K-K1; 32 [...] R-Q1; 33 KR-Q1, R-B7, 34 [...] R-B1; 35 RxR, QxR; 36 Q-N[...] Resigns (Q-B3; 37 R-QB1).

LEONARD BAR[DEN]

Your savings and investments

Slater funds re-emerge

BY KEITH LEWIS

SLATER WALKER TRUST Management is henceforth to be known as Britannia Group. The change marks a breakaway from the parent company, Slater Walker Securities, and coincides with a vigorous marketing campaign designed to put the Slater trusts back on the marketing map.

The past year or so has not been easy. Redemptions have at times been heavy, since Mr. Jim Slater resigned under a cloud in October, 1975. Not surprisingly, a considerable number of unit holders have decided to withdraw their funds: £18m. since Mr. Slater's departure. Commendably, however, more unit holders have opted to remain loyal and in recent months the redemption record has been better than the industry average.

The fact that the Slater Walker unit trusts have been virtually becalmed for around 15 months has not entirely been to the disadvantage of the unitholders. Late in 1974 SW took over the funds formerly managed by Jessel Britannia, part of the Jessel Securities group. In early 1975, SW went on to acquire the funds of National Group, formerly under control of Sir Denys Lowson.

The net result was that, while the funds under management were acquired at knock-down prices, the group nevertheless inherited over 40 different authorised trusts—many of which had the same investment objectives. If nothing else, the quiet period has enabled the SW management to effect mergers between various trusts and to sort out the portfolios.

Brian Banks

A total of 44 authorised unit trusts have been slimmed down to 23. The total cost of the mergers, which has been borne entirely by the management company, has amounted to some £250,000.

So what have we got now and where does this leave unitholders? The basic answer is that under the new title, the group, which manages around *150m. of authorised unit trusts*, has switched from the defensive and has thrown its hat back into the marketing arena. Initially the promotion effort is to take the form of newspaper advertising, though it is expected that the professional outlets—stockbrokers, insurance brokers, accountants etc.—will not be neglected.

As for the investment side, the portfolios have all been reshaped and are, to all intents and purposes, fully invested. The level of liquidity in the income *funds is down into* single figures, while the growth funds are roughly 15 per cent. cash.

The performance of the funds has not been good during 1976—as the management is the first to admit. But, then, with investors taking money out perhaps that is not so surprising. Another factor that has not worked in SW's favour is that it has not had the benefit of unit-linked life assurance business which has kept so many of its competitors ticking over. That deficiency should soon be remedied and SW Insurance—at one time to be sold off by the parent, but now it appears a surviving component of the group—is busily devising policies to link up with the funds. As for the range of trusts, it is perhaps too soon to start speculating about the possibility of introducing new funds. The group has quite enough on its plate with the *current range*.

But, the revival of the SW investment side which, it will be remembered was given a clean bill of health in the investigating accountants' report into SWS, published in September, will not be confined to the unit trust division. It is expected that the private client business, which currently accounts for £40m., will also be actively promoted. There, too, investors *have remained remarkably loyal* and clients have actually been taken on since Mr. Slater's resignation.

The re-establishment of the investment division as a major force is clearly vital and central to the survival of SWS as a whole. Sir James Goldsmith, acting chairman of SWS, has already said that it is intended to "pursue active development of this business." If the dash *for credibility pays off then it* will be not only to the benefit of Britannia unitholders but also to the industry, the Department of Trade and to the trustees.

Property wavers

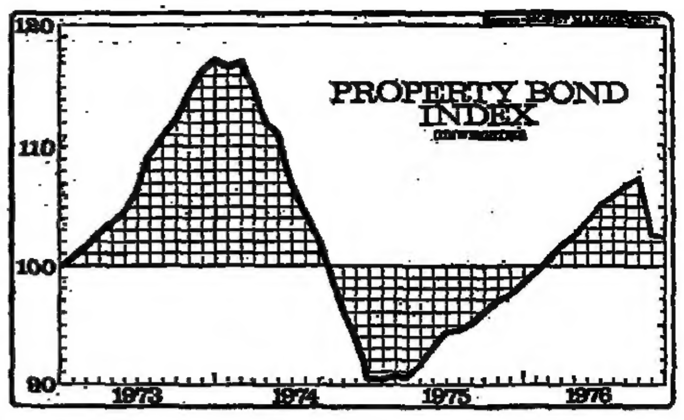
BY CHRISTINE MOIR

DITHERING—that is the word for the property bond market this month. Investors are not yet sure whether all the funds have yet dropped their offer prices all the way needed to compensate for the drop in property values. For that matter, nobody is yet sure how far property values have had (or will have) to drop to establish a firm institutional buying mart.

So far, property values appear to have reflected October's Minimum Lending Rate jump (plus considerable underlying pressure to close the yield gap between prime properties and Gilts) by a full percentage point rise in prime yields to 6¼ per cent. Even at this level, however, Gilts still show property a clean pair of heels and property yields *may have to rise still further* to become really attractive.

Since the fall became imminent, as we reported at the end of October, property bond holders appear to have been taking a cautious line; indulging in a little switching into other types of funds, or simply refraining from further investment in property bonds until the picture becomes clear.

So far, although the *Money Management* Property Bond Index has slid significantly, in both November and December, only a few of the property bonds seem to have taken the bull by the horns and devalued *their funds* by *more than* a token amount. Save and Prosper (a 10 per cent. fall), Property Growth (down 11.9 per cent.), and Abbey (4½ per cent. decline) are among those who have.



The problem is that, without close scrutiny of the individual portfolios, it is impossible to guess by how much the bonds need to fall to reflect fully the 18 per cent. decline in property values indicated by a move in yields from 5¼ per cent. to 6¼ per cent.

Cushions against the fall come from the composition of the fund. The degree of liquidity is, of course, paramount, but agricultural landholdings have so far been unaffected by falling *values in the commercial sector*, and industrial property has been gaining in favour with buyers (so the yield rise here has so far also been negligible). Overseas property, too, is immune, though individual properties owned abroad may have their own special problems.

Consequently, the drop in offer prices may not necessarily be disastrous. The problem is *only that there is uncertainty* about whether all the funds have announced their final alterations. In the meantime, most of the funds have been making money for the bond holders, albeit not at the scale of 1973 when the MM index peaked at 117. Only five stood at the beginning of December *at less than their January 1* level: Welfare, City of Westminster Society, the Property Growth Unit (as a result of the sharp November devaluation), Save and Prosper (for the same reason) and the Robert Silk fund.

The top 10 performers, in order of rank, were Irish Life, newcomer Schroder Property, M and G, Property Growth Agricultural (reflecting the exceptional *strength of farmland* values throughout the year), Pearl, Individual, Langham, Abbey, Norwich and Lion.

In December the top growth rate was 14.2 per cent., well *below the 18 per cent. levels* which were being recorded around the middle of the year. In fact, nearly all the funds put on a good deal of fat in the first four months of the year as property values climbed sharply out of their 1975 lows, when property yields stood as high as 7 per cent., to the 5¼ per cent.-mark *achieved in* April.

More important, however, is the continuing disparity between the best and the worst performers. Welfare, which has lost 6.4 per cent. from its offer prices between January and December, may well be a special case, but even among the remainder, and even over a 5-year term which tends to smooth out discrepancies, there is a range between £782 and £1,379, with £1,000 as par.

Altogether, the year has been unexciting except possibly for agricultural holdings. On the other hand, there have been no disasters and no panics—a sign *that property bonds may have* reached maturity and established a structure and management policies flexible enough to ride out fairly significant fluctuations in property values.

Commodity prospects

THE FIRST full year of unit trusts investing directly in commodities has been a success, but only a qualified success. The timing of the launches was generally good and excellent sales were made as the commodity markets took off in the spring. Since then, however, the metal markets have turned dull and sales have been reduced to a trickle. The new First Viking Double Option fund raised only £¾m. at its launch in November but all the funds together now total over £50m.

Until recently, followers of the new commodity trusts could congratulate themselves on substantially outperforming the faithful supporters of the stock market. Metals surged ahead much faster than equities in the first half of the year and when they relapsed after July the continued fall of sterling provided support. Since October, however, shares have made a remarkable comeback and the gap has narrowed. Nevertheless, those who switched to commodity trusts this time last year are still better off.

Unfortunately, most people only joined the bandwagon as the momentum died away. The big buying took place between March and July and those who joined up in July are now showing a loss. Moreover, as the year has progressed, the contrast between the performances has been accentuated. *All the* funds were carried along on the base metal boom to begin with but, as *conditions have turned more* difficult, the worst performer has been reduced to a rise of only 12 per cent., while the best has achieved over 70 per cent.

Significantly, the top performances have come from two trusts which trade in and out *of commodities* rather than just holding on to metals for the long term. The Commodities and Options Unit Trust and the First Viking Commodity Trust were both set up by people already in the game of commodity dealing. They were both allowed to "sell short," a potentially dangerous tactic which doubtless scared off many investors so that only relatively few participated in their success.

Many people were sceptical of the claim of Commodities and Options that it could make money out of bear markets as well as bull. In fact it has gone one better and made money out of a stagnant market. While other funds have grimly held on to their becalmed copper holdings this autumn, C and O has made profits by granting double options — effectively a bet against price volatility.

During this recent bad patch for base metals, several funds have looked to the soft commodities to pep up their performance. Riding the markets in cocoa and coffee up to current exalted levels has doubtless been a nerve-racking business and most of the funds have now reduced their stakes. Nonetheless, Save and Prosper and C and O have collected some profits on the way up.

Most of the managers are currently in a cautious mood. Some of the 'softs' are expected to come down again, while the metals are expected to rise only gradually in 1977. Much depends on how the world economy behaves, on whether capital investment gets going or not. There is still uncertainty about the prospects for economic growth in the U.S. but *at least* the oil exporters seem unlikely to put through a major price rise and *President-elect* Carter appears committed to maintaining the momentum of the American recovery.

A gradual rise in metals, is better than none at all and *usually something* dramatic happens in at least one of the commodities. Several managers are expecting a strike by American copper miners to liven things up. The most successful funds of 1977 may again be the most flexible and imaginative.

JAMES BARTHOLOMEW

Savings changes

TO-DAY MARKS the end of an era in the history of National *Savings*, for after nearly 60 years, National Savings stamps will no longer be sold after the close of business to-night. We have commented on this demise and have discussed the mixed reactions of the National Savings movement. One would have thought that with sales totalling £116m. in the financial year 1975/76 the stamp still had a part to play in National Savings. But the high cost of *administration* and concern that no interest was paid to holders, results in its withdrawal announced *last* April.

But existing holdings of stamps can still be cashed at Post Offices, invested in a National Savings Bank account or other National Savings securities and even used as full or part payment for a television licence. In short, existing holdings *will not* lose their face value.

What will be lost, however, will be the means by which small savers can accumulate cash for some specific purpose, without being too tempted to spend it for another purpose. The alternative is to use the National Savings Bank. Sums of as little as 25p may be saved in this way through the ordinary accounts, and balances of £1 or over attract interest. This interest rate is being increased as from to-morrow, from 4 per cent. to 5 per cent. and the first £50 of interest will be tax free, subject to *provisions* being made in the next Finance Bill. The interest rate on the investment account *goes up* at the same time from 9 per cent. to 10 per cent.

One significant feature this year in the investment field has been the growing popularity of *gilt-edged* as an investment. The small investor can buy and sell gilt-edged stocks over the Post Office counter and sales here have grown significantly this year. But from to-morrow, the *new* scale of charges will come into force.

The basis of the charges for *transactions* is moved from the nominal value to the amount of money invested or the gross *proceeds* of sales. For purchases up to £250, a flat £1 will be charged, increasing by 50p for each £125 further invested. The charges on sales of less than £100 will be 10p for each £10. Up to £250 it will be a flat £1 and then 50p for each additional £125.

These changes have been made to bring costs in line with stockbrokers' commissions. But buying and selling gilts through the Post Office *still remains* the cheapest means for the small investor.

ERIC SHORT

Finance and the family

Covenant for a student

BY OUR LEGAL STAFF

Referring to your reply headed Covenant for a student (November 27) my grandson has been named under similar circumstances that if a covenant is made in his favour it would be deemed his investment income to be taken into account to be declared in his application for a Council grant which could thus be endangered. Could you comment, please?

Our reply was concerned primarily with the tax effects of making a covenant so far as parent and child are concerned. If the local education authority takes into account a student's investment income, then presumably his grant will be reduced, whether the income was covenanted or not, or whoever covenanted it.

Legacy in Australia

I have been left by a deceased resident of Australia a legacy in the form of a substantial deposit account balance with a bank in Australia. As I do not need the money in this country I would like to leave it there to accumulate at interest and to bequeath it to relatives in that country.

I understand that the interest will have to be declared annually in my Income Tax Returns and U.K. tax paid on it. Could you tell me (1) What is my position regarding Australian tax on the interest?

(2) Am I under obligation under current U.K. legislation to declare this holding in Australian dollars? (and, if so, to whom?)

(3) Could I give away the capital to a resident of Australia without having to obtain official U.K. consent?

(4) How do I stand in regard to Capital Transfer Tax if I were (a) to give away the capital now (b) to bequeath it in my will to an Australian resident?

Your inquiry pre-supposes that you will be permitted to retain the Australian bank balance, but this is by no means certain from what you say. Unless you are an Australian citizen, you will almost certainly be required by the Bank of England to close the account and to sell the Australian dollars to a U.K. bank (without benefit of the investment currency premium). Even if you are an Australian, you will have to apply for U.K. exchange control exemption, and so you should seek guidance from your U.K. bank as soon as possible, lest you have unwittingly broken the exchange control regulations. The answer to your third question depends on your exchange control status.

At present, Australian banks are not required to deduct withholding tax from deposit interest paid to non-residents.

Your U.K. tax position depends upon your domicile: this is important for income tax, capital gains tax and capital transfer tax, but you give no indication of where you consider yourself to be domiciled. Nationality is important for U.K. exchange control, but has little significance for U.K. tax purposes. If you consider yourself to be domiciled in one of the states of Australia, you should be submitting U.K. tax returns on the special form 11K which are designed for non-domiciled residents.

Briefly, if you are not domiciled in any of the three countries which comprise the U.K., your Australian interest will be taxable on the remittance basis—on the current-year basis for the first two or three years—as set out in sections 122(2 and 3), 123(5) and 124(4) of the Income and Corporation Taxes Act 1970. Similarly, any chargeable gains on withdrawals from the deposit account will, by concession, be charged to capital gains tax on the remittance basis; however, this concessional basis may not suit you, if the recent net devaluation of the Australian dollar produces a potentially allowable loss on a future withdrawal, and so you may wish to invoke the provisions of section 43(3)(c) of the Finance Act 1965, which deem the Australian bank deposit to be located in the U.K., for capital gains tax purposes, thereby escaping the disallowance of losses under the closing words of section 20(7) of the 1965 Act. The provision which makes the deposit account liable to capital gains tax is to be found in paragraph 11A of schedule 7 to the 1965 Act, as amended by the Finance Act 1969.

Complicated arrangement

I am a widow with two sons at university. In addition to my teaching salary of £4,800, I have my N.I. widows' pension of £15.30 a week and an occupational pension from my late husband of £450. This year for the first time I have two code numbers, one for my salary and the other for the pension, one of them 38 and the other 69. Is this usual?

Although the arrangements made by the tax office seem unnecessarily complicated, the two code numbers (69L for your salary and 38T for your pension from your husband's employers) should result in the right amount of tax being deducted overall during the current tax year. Your net allowances have been split as follows:

Personal allowance		735
Child allowance: 2 x 365		730
Single parent's allowance		350
		1,815
Less: Social Security pension		733
Net allowances		£1,082
	Allowances	Code
Set against salary (say)	696	69L
Set against pension (say)	386	38T
	£1,082	

When you receive your 1977-78 coding notices (this month, probably, you should find that the position has been simplified.

An incompetent garage

I bought a car privately which had been MOT tested earlier in the month and a month later the sub-frame collapsed. Can I hold the garage which issued the test certificate liable? Should the garage be reported and if so, to whom?

You may have a claim against the garage issuing the "MOT" certificate if you can establish that proper inspection of the sub-frame in early September would have disclosed the defect which led to its collapse two months later. (That would be a claim in tort for a negligent mis-statement in the certificate). In any event you may wish to pursue the course of querying the competence of the garage with the Department of the Environment (Transport).

Obtaining of probate

Could you tell me what is the present procedure for obtaining probate? Is it necessary to employ a solicitor?

It is not necessary, although it may be useful, to employ a solicitor in obtaining a grant of probate. Application can be made at the Principal Registry or at the appropriate District Registry of the Family Division. You have to prepare an Inland Revenue Affidavit (Form A10) and swear that Affidavit and an Executor's Oath. Those documents together with the will and any codicils to it must be lodged at the Registry and the fee for the grant paid.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

Covered up

BY JOHN PHILIP

LAST WEEK I suggested that we could all profitably spend some while over the holiday making a review of our insurances to ensure that, so far as possible, our various sums insured are topped up to take account of inflation—either straight away or at renewal if that date is not too far away. Since writing that I see that the major London fine art salerooms have had a record autumn, with a number of firms turnover up 50 per cent or more against autumn 1975, and so well ahead of inflation. Which reminded me that nothing else might have done, to pass a special word of warning to all readers who have valuables—not only paintings, china, porcelain, antiques but also the "more" mundane collector's items. Have a look at the prices which are being realised in the salerooms (and not just those of the fine art dealers but those less esoteric firms all over the country) and see how far short your own current insurance valuations fall.

It is quite clear that many people at home have begun investing their money in anything from alabaster to shoulder spears in preference to stocks and shares. It is also clear that because of the current exchange rate of the pound many overseas buyers can find many bargains in our salerooms. Both these demand factors are influencing the supply situation, and anyone with an insurance claim for collector's items must now reckon on paying substantially more for replacement than even a few months back.

The basis of any "all risks" insurance must be evidence of value, and it is incumbent on the policyholder to provide insurers with adequate evidence at inception, or whenever he proposes a revision of the various sums insured. In its simplest terms, a valuation involves making an inventory of the items to be covered and allocating values to each. But while each one of us can make the inventory, there are few who can competently value with out the help of experts—and this part of the task must inevitably cost money. Depending on the nature and quality of the articles to be valued, the expert may charge as much as 1½ per cent. of the ultimate valuation, which is no mean price to pay —and which must be paid by the policyholder, not insurers.

But if that expert puts to-day's value on the property, then there is no need for another thoroughgoing valuation for the next few years, provided that one keeps abreast of changing values and one's insurers, from the secure base of an expert valuation, are prepared to raise the various sums insured by a reasonable amount at each subsequent renewal.

The more valuable, the more irreplaceable any article, the more it used to be said that this should be insured on an agreed value basis, and even to-day many people seek agreed value policies.

But the agreed value policy was developed in stable money times when the problem facing the policy-holder was the opposite of the present—than in the normal course of events all but the most exceptionally valuable items arguably might be reckoned to depreciate in value between one renewal date and the next. So in the present economic context an agreed value policy does not materially help the policy-holder: of course, he will get an easily agreed settlement, but if values have moved on, then for less than his property had become worth at the time of the loss or damage.

While many insurers are now offering index-linked policies on household possessions—against the traditional household perils—relatively few are as yet offering index-linked "all risks" cover. I do not necessarily recommend changing insurers to get index-linked "all risks" cover, because I think that the next year or so most insurers will begin to offer this kind of contract.

For ordinary valuables such as jewellery, watches and the more expensive electrical and photographic equipment, "all risks" index-linking provides a reasonably satisfactory protection against inflation, certainly in the short term of the insurance year.

But for the collector or the owner of pictures and antiques index linking can provide only part of the answer, because almost certainly the related index will move at a slower pace than will the value of his particular possessions.

Nevertheless, as a back up to a current valuation, I do recommend an index linked "all risks" policy, for as the years goes on it will automatically give some protection against the upward movement of values and at the end of each insurance year the policyholder can still uplift his various sums insured further to get a sound basis whence to begin the next 12 months of cover.

Of course, full cover costs an apparently ever increasing amount of money—and "all risks" insurance is not cheap, ranging upward from 37.5p per cent, depending principally on location of the home, the kind of property to be insured and the total value. Anyone who is happy to bear the accidental damage risks himself can of course cover specified valuables in his household policy against the risks that such policy insures, and subject to such extra restrictions as insurers may impose. But either way the policyholder must be prepared to instal such anti-theft devices as insurers made decree.

Education

Irrelevant attitudes

MOST OF US, having just been menaced by about 40 young zealots baying "Racist! Fascist!", would be either frightened or angry. Sir Keith Joseph was evidently neither when he was escorted from the recent National Union of Students' conference in Blackpool. He was perplexed.

What puzzled the Conservatives' voraciously thoughtful spokesman on policy was not the excesses of the extremist few, but the preceding majority vote by the 800 delegates to expel him. Why, he asked, should British students want to prevent anyone from listening to their conference.

As a veteran visitor to the NUS twice-yearly conference, I feel that Sir Keith should count his blessings. He would have been a lot more perplexed had the delegates instead compelled him to stay throughout the remaining 30 hours of session.

Probably he felt that experience in Government, Parliament and commonplace party politics qualified him to listen and understand what was going on. I made the same naive assumption about my journalistic experience when I first attended some seven years ago.

I should have realised my mistake, of course, as soon as I received the printed motion for the first debate. Together with its typical 15 or 16 amendments, it filled about 20 pages of foolscap, and it seemed likely that if I read it carefully the debate could well be over before I got round to listening to any of the speeches. Probably because I only glanced through the texts, I could not immediately understand the connection between some of the detailed proposals. As far as I can remember, the condemnation of the Cabora Bassa Dam project was coupled with a demand for nationalisation of the means of production, and I'm not sure that there wasn't critical reference to the inadequate provision of contraceptive advice in colleges of education as well.

The debate started with a platform declaration that the amendments would be taken first, and that speeches would be limited to a couple of minutes each.

Then nine or ten delegates raised points of order. These were followed by a speaker who urged support for the first amendment because the motion, which the union's executive was backing, hedged its bets not only on continuous world revolution, but also on State control of the banks. "Conference," he yelled, "we must nationalise them now." There was a roar of applause.

Then we had a point of order, which was sharply over-ruled by the chair, and the next speaker, looking much like the first. He urged us to oppose the amendment, implying that the banks might not believe that the NUS conference had power to nationalise them, and so might better respond to moral pressure. There was a roar of applause.

Then somebody rose and said he was only an observer, but would like to give some information. A quick show of hands supplied permission, and he announced he had reason to believe that banks were against trades unionism. This was followed by a woman speaker who pretty well repeated the first speech. Then there were a couple of points of order before the fourth speaker, who more or less echoed the second. And so on.

After about two hours, when several amendments had been defeated or carried, the debate was suddenly congealed by a procedural dispute which involved a motion to replace the chairman.

So I went out for half an hour.

Returning, I saw that the chairman had been changed and the dispute had given way to the more normal process of continual points of order, interspersed from time to time with a speech or two. These seemed still to consist mostly of permutations of the slogans shouted by the earlier speakers, although I was a bit disconcerted by occasional references to tyrannical school headmasters and insufficient freedom for eccentric dress.

When, after a heavily favourable vote, we broke for lunch I asked another newspaper reporter to explain how the points about headmasters and eccentric dress related to the Cobora Bassa Dam. He fell about laughing. It transpired that during my absence, a show of hands during the first debate had been inconclusive, and so had the count of hands, which led to a card vote. This meant, under the NUS' constitution, that the debate was frozen while the card vote was counted, and fresh business started in the interim.

I had come back to an entirely different debate from the one I had gone out of. I cannot be sure whether, if I had not asked the other reporter, I would have ever realised the difference.

To-day, several attendances behind me, I am no longer quite such a child. I have learned, for instance, that the content of the speeches and the volume of applause which follows them have little to do with the subsequent vote. This seems to be mainly determined by the way the various political factions are combining, which can be divined from the peculiar entrails of the motions and their amendments. Besides, if one concentrates on the speeches, their repetitive tendency can have a hypnotic effect, causing one to miss something important such as a procedural announcement from the steering committee or the revealing tactical use of a point of order.

But while tolerably competent now at following the NUS conference ritual, I still fail to perceive that it has any significance for the real world beyond providing recurrent evidence of widespread educational failure among the delegates. This lies in an inability to discern shades of grey, with the result that anything which is not clearly Socialist is automatically viewed as Fascist; any reservation about the wisdom of unlimited immigration is viewed as racist, and so on.

The prevalence of that attitude at the recent conference in Blackpool is probably the answer to Sir Keith Joseph's question about why it voted to expel him. Fortunately, however, the evidence of a majority of closed minds among the delegates—who constitute only about one in every 800 or 900 of the union's claimed membership—need not imply a similar state of affairs among students as a whole.

The cost of the NUS conference, by the way, seems to be about £40,000. I assume that most of it is met by the taxpayer.

MICHAEL DIXON

Travel

Hogmanay and after

A COUPLE of winters ago, we decided to investigate Scottish hogmanay. We rented a cottage in the kind of setting which you hear about but don't really expect to find, though our finding of it was quite fortuitous through the Scottish Tourist Board's Self-Catering Accommodation booklet. The building itself was simple enough, but it adjoined a fine old house in lovely, slightly unruly grounds, with peacocks preening on the lawns and donkeys honking from a nearby field. A ½-mile drive separated us from a minor road that led to Dalry (the one in Dumfries and Galloway).

At lunch time on New Year's Eve, we explored the potentialities of the local hostelries. Quite a few clients appeared to be giving the celebrations a trial run. One landlord assured us that if we returned after midnight we would find a jolly "private" party in progress. We did not, in fact, take advantage of this, for our landlady in the big house invited us to join her on a "first footing" expedition. This custom of visiting other people's homes after midnight traditionally involves offering "something to warm, something to drink and something to eat," so we went armed with a bottle of whisky, some Swiss chocolate that had somehow survived Christmas, and a lump of coal from the kitchen boiler. And so, in the wee hours, we were entertained by a miscellany of professors, musicians, a lecturer in computology and several Siamese cats. It was great fun.

Winter in Scotland can be very rewarding at other times, too. It is better not to expect too much from the weather, though when it is good, the effects can be spectacular. For winter sports enthusiasts, there are obvious places to head for: the Spey Valley being the most obvious, with Glencoe and Glenshee as runners-up. Personally I do not like what they have done to Aviemore, much of which seems totally incompatible with the once-quiet character of this Highland village: but there is no denying that most tastes are catered for, from discos and go-karting to solariums and the brand new Santa Claus Land. And there are still plenty of quieter corners in this Spey Valley, all of which are covered in a brochure packed with suggestions for three-seven night stays in the area. Whether you arrive by car, by rail or by air, whether you ski or not, and whether you want to self-cater or be catered for, your require ments can be met. Sample prices in Aviemore at either end of the scale are: £60 per person (if four) ex-London by rail with seven nights self-catering at Britain's first custom-built aparthotel, the Freedom Inn; or £159 ex-London by air (to Inverness), car transfers, half board for seven nights with bath and including a £29 package that covers five days hire of ski equipment, ski tuition and unlimited use of mechanical aids. Of course, there's plenty of choice in between.

If you're not winter sports minded, Scotland has another great attribute: that of combining its cultural and historical sites with remarkably fine scenery. Even their bloodiest battles against the English (or themselves) and even the nastiest of their persecutions (such as the Covenanters suffered) took place against some spectacular backdrops.

In Dumfries and Galloway we found ourselves in the heart of Burns country. Many of the nicer pubs we visited had been patronised by that literary imbiber; indeed, he has composed his verses in some of them and there was no shortage of his followers ready to give us a rendering of these, along with much useful local information. The Scots almost everywhere are an extraordinarily friendly lot.

Another great scribbler in whose pursuit you will range across most of central and southern Scotland, not forgetting Edinburgh, is Sir Walter Scott. The settings for some of Mary Queen of Scots' stormy career overlap both the Burns and Scott country to add to the variety. Excellent free brochures on these themes, with maps, are published by the Scottish Tourist Board.

The most romantically tempting personality to pursue is Bonnie Prince Charlie, though some of his remoter wanderings across the mountains and to the islands are not practical in winter. All the same, Fort William would be a good Bonnie Prince Charlie (and scenic touring) centre. A good approach from the south is via Crianlarich and Tyndrum across the black (or winter white) waste of bog and lochan that is Rannoch Moor, collecting more history and scenery on the way.

For here, as you approach the head of Glen Coe, you face some of Scotland's most shapely peaks before passing through Glencoe, the scene of perhaps her most famous massacre.

Beyond Glencoe, the new bridge over Loch Leven gives easy access to Fort William under the shadow of Ben Nevis. The West Highlands Museum in the High Street is well worth visiting and includes the famous secret portrait of the Bonnie Prince. Castles and monuments in the neighbourhood are reminders of ill-fated Jacobean risings. On a fine day, continue the hour or so's drive northwest to Mallaig, fishing village, ferry port and the western end of the songwriter's "Road to the Isles." The views of the Cuillin Hills are spectacular on a sharp winter's day. Only eight miles south of here is Loch nan Uamh where Charles landed on the Scottish mainland in July, 1745 and, 15 months later, left never to return.

At the opposite end of the Great Glen from Fort William, Inverness is another excellent Bonnie Prince and winter touring centre. The site of the Battle of Culloden, when his hopes were finally crushed, lies only a few miles away. The town itself is attractive and historic, as well as being under an hour's drive from the Spey Valley ski centres. Special winter break arrangements are available at hotels in all these areas. Among them are the Mercury Motor Inns at Inverness and Fort William, British Transport Hotels at Inverness and Kyle of Lochalsh, Inter-Hotel at Inverness, and Interchange Hotels in several places.

Further information: Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh EH4 3EU, and 137 Knightsbridge, London SW1X 7PN; Dumfries and Galloway Tourist Association, Douglas House, Newton Stewart, Wigtownshire DG8 6DQ; Highlands and Islands Development Board, Bridge House, 27 Bank Street, Inverness IV1 1QR; British Transport Hotels, P.O. Box 179, London NW1 2TU; Mercury Motor Inns, 4/12 Marybone, Liverpool L3 2BY; Inter-Hotel, 29 Harrington Gardens, London SW7 4JT; Interchange Hotels, St. Pancras Chambers, Euston Road, London NW1 2TU.

SYLVIE NICKELS

Your weekend £: Austria 28, Belgium 60, France 8.36, Italy 1,515, Greece 72.75, Spain 111.25, Switzerland 4.11, U.S. 1.695. Source: Thomas Cook.

Edinburgh. The Sir Walter Scott Memorial.

Gardening

Up the wall

WE STILL LAG behind most European countries in our use of balconies and roofs for plants but we seem to be learning slowly. Some recent developments in gardening techniques have made it much easier for flat dwellers and others, with no garden but a certain amount of hard flat surfaces outdoors, to grow a wide range of flowers and vegetables with every prospect of success. Foremost among these is the perfection of lightweight composts based on peat which are easy to transport, clean to handle and place no undue strain on buildings not designed to support soil for gardening. Some of these peat composts are ready packed in long narrow plastic bags which have only to be laid flat on any reasonably level surface and be slit open to be ready for immediate planting directly in the bag. Most so far produced are not very slightly but it is easy to camouflage them in various ways or to drop whole bags into ornamental containers of a size to contain them.

One advantage of growing in plastic bags is that, provided they are not overwatered, there is no seepage of water from them to foul concrete or paving. Nor will there be any worms or other unwanted creatures or any weeds or soil borne diseases, at least for the first year.

Peat composts are ideal for plants and crops that are only to remain for a year or less. All kinds of annuals, hardy and half hardy, grow well in them and so do perennial bedding plants such as geraniums, begonias, marguerites, fuchsias and dahlias. Most vegetables are successful, especially salad crops of all kinds including tomatoes and cucumbers. Runner beans can be grown both as a crop and for ornament. Few climbers make a quicker or more attractive covering for a bare wall or an ugly stretch of protective netting.

But peat does tend to break down with age and it cannot retain as much reserve plant food as loam. So if everything is grown in peat it will be necessary to top up the beds (or the bags) from time to time with fresh compost and to feed regularly with liquid fertilisers during the summer. Whatever is used for this purpose do not be tempted to exceed the strength of dilution recommended by the manufacturers. If anything err on the side of making the mixture too weak and applying it a little more frequently. Peat lacks the buffering quality which enables loam to deal with irregularities in food supply.

Another problem with roof and balcony gardens is water. Plants in bags or other containers dry out quickly in warm weather and rainfall does little to help them. They must be watered regularly and adequately and this can create problems if one is away from home daily and maybe sometimes for several days at a time.

Again there are modern techniques to help one out. All manner of automatic or semi-automatic watering devices are on the market, some highly sophisticated and expensive, others quite primitive and cheap. One that can be applied very simply on any reasonably level surface is trickle irrigation. The water drips very slowly from plastic nipples buttoned into small-bore rubber tubes which lie on the surface of the compost. Water can be fed into the system in various ways, the most convenient usually being a small tank fitted with a siphon and an adjustable drip feed. When the tank is full the water siphons out to the plants. A little experiment will teach one how to set the drip feed into the tank so that it fills (and therefore empties) at reasonable intervals.

An alternative is the capillary mat system which is now becoming very popular with greenhouse owners. The mat is made of nylon fibre and looks rather like very thick blotting paper. It is highly absorbent, clean and almost indestructible. A length of this matting is simply laid on any flat, level surface and kept constantly wet so that plants stood on it can draw up water from it by capillary attraction. To prevent the water running away it is necessary to confine the mat in some way, by laying it in shallow plastic trays or by spreading a large sheet of polythene over the surface and turning up the edges over battens or something of the kind to form a large but very shallow trough. The mat can be kept moist by some kind of float system or from a sealed tank from which water escapes through a pipe with its orifice set at exactly the required level. As the water rises the outlet is sealed, no air can enter and the vacuum formed cuts off the flow. When the level sinks sufficiently some air gets into the container and a corresponding volume of water is released. This "ging bottle" system has no moving parts, requires no power and is completely fool proof. Kits ready for use can be obtained from most dealers in horticultural sundries.

If capillary watering is used the compost in the containers must come in contact with the wet matting. If plastic bags are used some holes must be made in the lower side before they are laid on the matting. If pots are used they should have fairly thin plastic or alternatively a wick of matting or glass wool should be placed in the bottom of each pot and drawn out through one of the drainage holes.

As to what can be grown on roofs and balconies these largely by available space. Wind can be a problem in some places and smoke screening may be necessary, especially to protect evergreens which can suffer from wind scorching. Climbers can be useful for this, including vines, both ornamental and fruiting, though all lose their leaves in winter, which can be a drawback. The Japanese honeysuckle is evergreen and deliciously scented in flower. It has a charming variety with leaves heavily netted with gold and another, named Halliana, which is the best green leaved form to buy.

ARTHUR HELLYER

Motoring

Scandinavian success

BY STUART MARSHALL

IF SAAB had not lost their nerve at the lost moment, the 99 would have been launched eight years ago as a three-door hatchback, not a two-door saloon. Feeling it was rather ahead of its time, Saab dropped *the lift-up tail* and waited five more years before bringing out the three-door Combi coupe in 1974.

This car has been a considerable success in Scandinavia and export markets alike and now accounts for over 25 per cent. of Saab's total production. The newer five-door Combi, which goes on the British market tomorrow, is even better.

Saab went back to the idea of a hatchback as a saloon alter*native* because they felt there was no way that a firm producing only 100,000 cars a year could contemplate offering a range of saloons, coupés and estate cars. What they have done is to create a car that looks like a coupé but has the carrying capacity of an estate and uses most of the saloon's sheet metal.

Unlike most hatchbacks, the Rover 3500, Renault 30 and Ford Capri II among them, the Saab *five-door Combi* has a flat edge over which you can push packing cases and garden machinery instead of running the risk of doing yourself a mischief by lifting them over a sill. That is because the body was designed not to have a fixed rear panel in the first place.

It is an easy car to load. The tailgate is counterbalanced by spring struts and lifts to a height of nearly six feet. One can also shove things in through the passenger doors. With the back seat folded down, the load floor is half an inch over six feet long. It is carpeted and thickly lined with polyurethane to keep out road noise. Underneath is a secret compartment, 12-bottle size, but I gather that Her Majesty's Waterguard know about it already. Which, with jolly good drinking plonk still costing only 50p a bottle at the hypermarché, seems rather a pity.

Leave the seat upright, and the interior of the five-door Combi is exactly the same as that of the four-door saloon, which means it seats four full-sized people in luxury and five in reasonable comfort, even for a trip of an hour or two.

Saab has become almost a one-model car maker. The dear old 96 saloon and 95 station wagon *are still made in small* numbers, but are no longer imported into Britain because the Crown has moved so far against sterling that they cannot be sold at a sensible price. Development has been concentrated on the 99 for several years. As a result, it has become a highly refined car, quiet at speed and most enjoyable to drive.

Exchange rates apart, Saab 99s have a high engineering content and cannot be sold at bargain basement prices. The importers are consciously moving up market. At £4,996 for the four-speed manual, £5,243 for the automatic, the 99 five-door must be reckoned fairly expensive for a two-litre. But it does have a lot of appeal for the buyer seeking a strong, adaptable car with above-average life expectancy.

On a 400-mile drive to North Wales and back before Christmas in the new five-door 99s, it struck me that if Rover had ever decided to make a front-wheel-drive car, it might have been rather like the Saab. You are never in any doubt that it is a car of some quality. It has that carved, not stamped, feel about it. The doors close with a gentle click; the controls are robust yet delicate. Some of its virtues are hidden; like the stout wheel covers to prevent roadstones being thrown by the tyres straight on to the inside of the front wings.

Driving on a day of mud-covered roads and a low dazzling sun revealed two minor snags. The visors are not deep enough, and even a one-gallon wash liquid tank can be too small when it has to supply both screen and headlamp washers.

Golf

We must try harder

BY ROGER PAUL

FOR YEARS after the war we excused ourselves and our sportsmen from abysmal performances on the grounds that the Yanks and the Aussies and others cheated by eating steak.

When that, through the general availability of steak, became untenable, we claimed numerical inferiority. When the East Germans, to name but a few, made a nonsense out of *that* we fell back on the good old British attitude, particularly in evidence after Montreal, which says that if you've got to try that hard then it's better not to bother.

Now I hold no brief for battery-bred sportspersons. But then neither do I for losers, and it seems to me to be wrong, sometimes wilfully wrong, to insist that nowadays the choice is between automaton and a normal healthy sporting existence.

There is, for instance, no race more superior in a worldwide sport than the Americans are at golf. They are light years ahead—a fact amply demonstrated by the failure of Peter Oosterhuis, Europe's top golfer for four successive years, to make the top 60 this year in the American money-winning list.

And yet automatons the Americans are not. For the most part they are intelligent, well adjusted men and the better they are, like Jack Nicklaus, Johnny Miller, Hale Irwin, the more likely it seems to be that they'll also excel at the family side of life. The top golfers are invariably thoroughly pleasant people, as well as being almost unbelievably proficient at their art.

Why so? I believe the answer lies in a banquet I went to earlier this year at the University of Houston in Texas. It was held in a magnificent circular *stadium* with 10,000 red plush seats arranged around a rectangular auditorium. The organisers had arranged tables and 300 chairs and seated at them were 150 members of college golf teams from all over America.

The other 150 seats were taken up by parents, friends, coaches and sponsors who support the University's golf programme. They had come together for the All America Intercollegiate Invitational, one of the highlights of the college golf season, and the banquet was Houston's way of fêting them. The college Big Band played, girl cheer leaders pranced, and as the teams were introduced, spotlights picked out their tables.

It was for all the world like a presidential convention and by the end of the evening there were 150 young golfers who all felt 10 feet tall. That began a week which, to me, illustrated why the Americans are so far ahead of the world at golf. It also exploded a number of myths current in this country about college golf in America. The most popular of these are that you only have to be able to add up to six to be offered a place, and that once there all you have to do is play golf, thus becoming so good that you never tax your mental powers to the full because you never take more than five.

The facts are that at least half your time will be spent on the subject you choose and that if you fail the regular exams on that subject you will be thrown out. It is the other half of your time that makes you a golfer, and last year, of the top 100 money winners over there, 92 were products of college golf.

Imagine leaving the classroom for the golf course or practice ground *every* day. Imagine having a coach permanently to advise you on your game. Imagine having up to 20 others—your age, *of roughly your* ability, broadly with your interests—all striving together to *improve at golf. The cross-fertil*isation which goes on in those circumstances is of extreme importance at the age of 16 to 20.

Imagine having a 36- or 72-hole team tournament, the most demanding type of golf possible, every week-end and imagine, if you have any capacity left, how hard a golfer you become if you survive that lot.

The contrast with the way our talent is treated is painful. Our amateurs struggle on alone for as long as they are financially *able; our young professionals* grab what little time their mostly unwilling bosses allow *them. It is miraculous, really*, not that we do so badly but that we do so well.

And yet it is important to remember that the American college golf system is not State-run and produces rounded, mature men as well as brilliant competitors. Would it be impossible to introduce something like it in this country? It's a thought for the New Year.

Stamps

The first day

TO THE student of philately and the postal historian the existence of a cover bearing stamps postmarked on the first *day of issue often serves as* valuable evidence of the actual release date of the stamps, but during the first 60 years of the adhesive stamp the posting of covers on the day of issue was purely accidental and not carried out as a deliberate practice. *First Day Covers exist from* the very beginning — indeed, there are examples known of the *Penny Black* used on cover before the official first day (May 6, 1840). The stamps were on *sale* from *May* 1 onwards, though not valid for postage until May 6, and a few appear to have slipped into the mails by mistake. To-day a cover bearing a Penny Black used on May 6, 1840 would probably be worth £2,500 or more — compared with an average £25 for a similar stamp used on cover later that year.

To specialist collectors stamps used on the day of issue, or very early dated examples at any rate, came to have some addi*tional value and gradually the* habit of deliberately posting covers on the day of issue arose. *This* custom among philatelists seems to have developed from the Jubilee series of 1887 and even spread to the general public by the time of the first Georgian stamps in 1911, judging by the number of envelopes endorsed "the first day of the new king's stamps" or some similar super-scription. Significantly the stamps of a new reign, or an important royal anniversary, have always captured the popular imagination, and the forthcoming Silver Jubilee will be no exception.

Apart from popular sentiment, however, the interest in First Day Covers was slow in developing. Many collectors looked on this practice merely as a certain method of securing nicely used copies of new stamps, and many such covers were subsequently cut up and the stamps soaked off.

Although printed envelopes with a commemorative inscription began to appear in the United States by 1909 at least, the First Day cover craze did not assume mammoth proportions in America till the late *1920s* when unofficial cachets were produced by dealers and philatelic organisations to en*hance the appearance of covers* bearing stamps on the day of issue. Official recognition of this craze, in the form of special cancellations inscribed "First Day of Issue," did not appear until the mid-1930s.

For many years the U.S. was one of the few countries to make special provision for First Day covers, and this may not be unrelated to the fact that even to-day many American FDCs are reasonably plentiful at little or no premium above their value as mint stamps.

In Britain the Post Office did not start providing special machine cancellations (and later hand-stamps) for this purpose until 1963 and did not match this with an official First Day cover till April, 1964, when the Shakespeare Quatercentenary was thus honoured. In the context of British philately a First Day cover before 1964 means any envelope, whether specially printed or not, bearing stamps cancelled on the day of issue. That relatively few have survived is borne out by the value attached to such covers. Stanley Gibons catalogue *Collect British Stamps* (19th edition) prices the Wembley Exhibition covers of 1924 and 1925 at £125 and £300 respectively and the 1929 Postal Union Congress set at around £1,000. The last Silver Jubilee, in 1935, had a set of four stamps, currently priced on First Day cover at £80—which is not a bad increase for a face value of 5½d (2p).

If a Jubilee cover bearing the British stamps of 1935 is an expensive item these days, a complete set of the 49 covers from the "colonial ensemble" would be well-nigh impossible to put together. There was relatively little demand for such FDCs in 1935 and many of those produced at the time have since been broken up. Consequently covers from some of the smaller colonies and protectorates are extremely elusive. A complete set to-day might well be worth £4,000—yet collectors could have purchased them at the time for about £15.

Of course, collectors are far more sophisticated nowadays, and the idea of cover-collecting was still in its infancy in 1935. It may be argued that the forthcoming Jubilee series will not fare so well since more people will subscribe to it than would have done 40 years ago. Apart from Britain herself, some 24 countries under the aegis of the Crown Agents will each be releasing a set of three stamps. Though the designs are different they combine in a logical manner to develop the narrative of the Coronation of 1953, in alphabetical sequence from Ascension Island to the Turks and Caicos Islands. In addition other Commonwealth countries outwith the Crown Agents' project will also be participating, and it is expected that stamps will be issued next month by some 40 countries.

Regrettably at *least* one country seems certain to be issuing fewer sets than the demand may warrant and this will therefore limit the total *number of sets or FDCs* available. The only sure way of getting a complete set is to sub*scribe to one of the services* currently offered by a number of prominent stamp dealers and *advertised* in the *philatelic* Press. The cost of these services varies astonishingly so it pays to shop around.

JAMES MACKAY

Television

New Year's Eve

BBC 1

† Indicates programme in black and white.

9.50 a.m. The Wombles. 9.55 *Scooby Doo (cartoon).* 10.35 Children of Destiny. 11.00 Bugs Bunny. †11.05 Flash Gordon. †11.25 "Tarzan's Savage Fury," starring Lex Barker. 12.45 p.m. News. 12.55 Weather Review '76. 1.00 A Decade Of Skating. 1.45 Teddy Edward. 1.50 *Ring-a-Ding.* 2.00 "Master Of The World," starring Vincent Price and Charles *Bronson.* 3.35 The Mole and the Motorcar. 3.53 Regional News (except London). 3.55 Play School. 4.20 It's the Wolf (cartoon). 4.25 Jackanory. 4.40 *Georgie to the Rescue.* 4.55 The Goodies and the Beanstalk, starring Tim Brooke-Taylor, Graeme Garden and Bill Oddie.

5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.45 Sportswide.
7.00 Bruce's Choice: Bruce Forsyth watches his favourite edition of The Generation Game.
7.35 The Freddie Starr Show.
8.40 "Seven Brides for Seven Brothers," starring Jane Powell and Howard Keel.
10.20 News.
10.30 A Jubilee Of Music.
11.45 Welcome 1977 with comedy, music, dances and songs. *Prologue.* Ian McKenzie prefaces the New Year.

All Regions as BBC-1 except at the following times:—

Wales—10.35-11.00 a.m. Teliffant. 1.45-2.00 p.m. Pili Pala. 5.55-6.20 Wales Today. 7.55 Heddiw. †8.20-8.40 Laurel and Hardy in "Me and My Pal." 11.45-1.00 a.m. Song Of Joy. Wyn Calvin invites you to celebrate a new beginning (simultaneous with Radio 4 Wales m/w).

Scotland—5.55-6.20 p.m. Reporting Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55 Scene Around Six. 6.20-7.00 *Replay '76.*

England—5.55-6.20 p.m. Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Look East (Norwich); Point West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 a.m. Play School.
6.35 Oh, To Be In England . . .
†7.00 "Stagecoach," starring John Wayne, Claire Trevor and Thomas Mitchell.
8.35 News On 2.
8.40 The Two Ronnies.
9.10 Peter O'Toole in "Rogue Male," based on the novel by Geoffrey Household.
10.50 Vintage 767 presented by the Half Moon Theatre Company.
11.30 Watchnight Service from St. Laurence Church, Catford, London.
12.00 Big Ben.
12.03 Old Grey Whistle Test: Pick of the Year.

LONDON

9.30 a.m. *Out Of School.* 11.00 Cartoon Time. 11.10 Cowboy In Africa. 12.00 Kathy's Quiz. 12.10 p.m. Mister Trimble. 12.30 Look Who's Talking. 1.00 News, plus FT index. 1.20 Today's *Post.* 1.30 Crown Court. 2.00 "The *Long* Ships," starring Richard Widmark and Sidney Poitier. 4.15 The Siege Of Golden Hill. 4.45 Magpie. 5.15 University Challenge.

5.45 New.
6.00 Today.
6.35 Crossroads.
7.00 Beryl's Lot.
7.30 Sale Of The Century.
8.00 "Zulu," starring Stanley Baker, *Jack Hawkins*, James Booth and Michael Caine.
10.30 News.
10.45 Connolly with Billy Connolly and *Gallagher* and Lyle.
11.30 Hogmanay.
12.20 a.m. Close—Joyce Frances Carpenter reads one of her own poems.

All ITV Regions as London except at the *following* times:

ANGLIA

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other World *of Roger* Dean. 11.55 The Woozles. 1.25 p.m. Anglia News. 6.00 About Anglia including Eastern sport. 12.20 a.m. Your Music at *Night.*

ATV MIDLANDS

11.00 a.m. Joe 90. 11.25 Castaway. 11.50 Free Price (cartoon). 1.20 p.m. ATV Newsdesk. 5.15 *ATV Today—I.* 6.00 ATV Today—II.

BORDER

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other World of *Roger* Dean. 11.55 The Woozles. †1.20 p.m. Border News. 6.00 Border News and Lookaround. †12.20 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. †6.00 Report at Six. 7.30 The Roger Whittaker Show.

GRAMPIAN

11.00 a.m. Breaktime Five. 11.05 Zig Zag. 11.30 The Other World of Roger Dean. 11.55 The Woozles. 1.20 p.m. Cartoon Time. 5.15 Fantastic Voyage. 6.00 Battle of the Comics New Year Special. 11.30 Welcome to the Hogmanay Ceilidh, followed by Road and Ski Report. 12.30 a.m. Evening Prayers.

GRANADA

11.00 a.m. Space 1999. 11.45 Cartoon Time. 1.20 p.m. Take Kerr. 5.10 Pun Point Percussion. 5.15 Crossroads. 6.00 Granada News Headlines. 6.05 Kick Off. †6.30 The Munsters.

HTV

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other World of Roger Dean. 11.55 The Woozles. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.25 Report Wales. 6.30 A Little Bit Of Wisdom.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.15-4.45 Taro'mlaen. 6.00-6.15 Y Dydd. 6.30-7.00 Pollination.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.40 The Other World of Roger Dean. 11.55 The Woozles. †1.25 p.m. Road and Weather Report. 5.15 Calimero. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Battle of the Comics. 11.30 Hogmanay Thingummyjig—Jack McLaughlin *introduces:* The Alexander Brothers, Ethna Campbell, Company Policy, Sydney Devine, Helen McArthur, James Smillie, The Wurzels, Jim Johnstone and his Scottish Country Dance Band and The Thingummyjig Dancers. 12.20 a.m. Late Call.

SOUTHERN

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other Worlds of Roger Dean. 11.55 The Woozles. 1.20 p.m. Southern News. 2.00 Houseparty. 2.25 Friday Matinee: "Brock's Last Case" starring Richard Widmark. 5.15 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.30 *Day by Daze: "The Year of the Scorcher"* (lighthearted look at the year of the drought).

TYNE TEES

TYNE TEES

9.25 a.m. Starting Point. 11.00 Breaktime 5. 11.05 Zig Zag. 11.30 The Other World of Roger Dean. 11.55 The Woozles. 1.20 p.m. North East News and Lookaround. 5.15 The Mighty Wurzels. 6.00 Northern Life. 11.30 Hogmanay Thingummyjig—Jack McLaughlin hosts a Hogmanay Party from Scotland.

ULSTER

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other World of Roger Dean. 11.55 The Woozles. 1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.13 Ulster News Headlines. 6.00 UTV Reports.

WESTWARD

11.00 a.m. Breaktime 5. 11.05 Zig Zag. 11.30 The Other World of Roger Dean. 11.55 The Woozles. 1.20 p.m. Ulster News Headlines. 6.00 Westward Diary and *Sports Desk.* 7.30 The Roger Whittaker Show. 12.20 a.m. Faith For Life.

YORKSHIRE

11.00 a.m. Felix the Cat. 11.10 Tarzan. 1.20 p.m. Calendar News. 5.15 The Flintstones. 6.00 Calendar (Emley Moor and Belmont editions).

Goody Goody Goody and the Beanstalk (BBC 1 4.55 this evening)

Michael Caine fights Zulus to-night (8.00 pm London ITV). The Queen is crowned again (New Year's Day BBC 2)

New Year's Day

BBC 1

† Indicates programme in black and white.

9.15 a.m. Mister Men. 9.30 Multi-Coloured Swap Shop. 12.13 p.m. Weather. 12.15 p.m. Holiday Grandstand. 3.50 Film: *Willy Wonka and the Chocolate Factory.* 5.05 Cartoon Film: Tarzan, Lord of the Jungle.

5.30 News.
5.35 Today's Sport.
5.45 Jim'll Fix It.
6.20 Dr. Who.
6.45 Film: "The Naked Spur," starring James Stewart.
8.15 Ronnie Corbett's Saturday Special.
9.00 Starsky and Hutch.
9.50 News.
10.00 Match of the Day.
11.00 Parkinson.

All Regions as BBC-1 except at the following times:—

Wales—9.05-9.30 a.m. Teliffant. 12.00 midnight News and Weather for Wales.

Scotland—5.35-5.45 p.m. Scoreboard. 10.00-10.10 Sports Report. 10.10-11.00 The Scotched Earth Show. 12.00 midnight News and Weather for Scotland.

Northern Ireland—5.40-5.45 p.m. Northern Ireland News. 12.00 midnight News and Weather for Northern Ireland.

BBC 2

10.10 a.m. Coronoation Day 1953.
5.15 p.m. The Golden Harp.
5.30 Play Away.
6.00 Horizon.
6.50 News and Sport.
7.05 *New Year's* Day Concert From Vienna.
8.15 This Year, Next Year.
10.00 "Love Among The Ruins," starring Katherine Hepburn, Laurence Olivier.
11.40 Late News On 2.
†11.45 Film: "White Heat," starring James Cagney.

LONDON

9.30 a.m. Star Maidens: Escape *to Paradise. 9.55 Cartoon Time.* 10.15 Film: "Khartoum," starring Charlton Heston and Laurence Olivier. 12.30 p.m. World of Sport. 12.35 On The Ball. 1.00 International Sports Special. 1.10 News. 1.20 The ITV Seven. 3.10 International Sports Special. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service.

5.05 News.
5.15 Happy Days: The Other Richie Cunningham.
5.45 Celebrity Squares.
6.30 New Faces.
7.30 Film: Patton, starring George C. Scott.
10.25 News.
10.40 New Year with the Fosters.
11.10 Aquarius: The Four Seasons.
12.10 a.m. Close: Joyce Frances Carpenter reads one of her own poems.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Animal Alphabet Parade V. 9.55 The Woody Woodpecker Show. 10.25 Fantastic Voyage. 10.50 Cartoon Time. 11.10 Clapperboard. 11.35 *Space 1999.* 5.15 p.m. The Muppets. 11.55 All We Need is the Sun to Shine.

ATV MIDLANDS

10.00 a.m. Morning Picture Show. 5.15 Spiderman. 11.55 Wait Till Your Father Gets Home.

BORDER

9.30 a.m. Space 1999. 10.30 Film: Way Out West. 12.00 p.m. The Ghost Busters. 5.15 The Merrie Melodies Show. 5.40 Border Sports Results. 11.55 Police Story.

CHANNEL

5.15 p.m. Cartoon Time. 6.00 New Faces. 7.00 *Sale of the Century.* 11.55 Combat.

GRAMPIAN

11.00 a.m. Film: Seven Faces of Dr. *Lao. 3.50 p.m. Hogmanay Thingummyjig.* 5.15 Weir's Way. 10.30 Sydney Devine Time. 12.05 a.m. Evening Prayers.

GRANADA

9.30 a.m. Cartoon: Ivanhoe. †10.15 The Three Stooges. 10.35 Film: Tarzan's Greatest Adventure, starring Sean Connery. 11.55 The Secret Pony. 5.15 p.m. The Flintstones. 12.05 a.m. Film: Danger Route.

HTV

9.45 a.m. The Boy and the Enchanted *Flute. 11.55 p.m. The Collaborators.*

HTV Cymru/Wales—As HTV General Service except 5.20-5.45 p.m. Happy Days.

SCOTTISH

†10.00 a.m. The Addams Family. 10.25 The Best of the Geordie Scene. 10.50 Film: The Adventures of Quentin Durward. 5.15 p.m. Batman. 10.30 Sydney *Devine Time. 11.30 Late Call.* 11.35 New Year With The Fosters.

SOUTHERN

9.30 a.m. Lassie "Return of the Charm." 10.00 Batman. 10.25 The Best of the Geordie Scene. 11.00 The Lone Ranger. 5.15 p.m. The Flintstones. 11.55 Southern News. 12.00 a.m. Spare Tyres. 12.25 Weather followed by A Better Way.

TYNE TEES

9.30 a.m. The Little Rascals. 9.50 *Hanna Barbera Special.* 10.30 Saturday Morning Way Out West. 12.00 p.m. Ghost Busters. 5.15 The Adventurer.

ULSTER

10.35 a.m. Hammy Hamster. 11.05 Skippy. 11.30 Sesame Street. 5.15 p.m. Phyllis. 11.55 And All That Jazz.

WESTWARD

9.30 a.m. Oliver and the Artful Dodger. 11.00 Cartoontime. 11.15 Look and See. 11.20 Tarzan. 12.15 p.m. The Gus Honeybun Show. 5.15 Cartoon Time. 6.00 New Faces. 7.00 Sale of the Century. 7.30 Film: "Patton." 10.25 News. 11.55 Combat. 12.45 a.m. Faith for Life.

YORKSHIRE

9.00 a.m. The Best of Geordie Scene. 9.30 Batman. 10.30 Film: Apache Rifles. 12.00 Ghost Busters. 5.15 a.m. The Adventurer.

Radio

New Year's Eve

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 7.00 Kid Jensen and Simon Bates: Pop into 77. 1.00-6.00 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, *including on 1,500m only (also 202m Scotland)* 2.45 and 3.45 Sports Desk 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S), including 5.45 Sports Desk, 6.45 Sports Desk. 7.02 The 76 Show. 7.30 Sammes' Songs (S). 8.02 Jack Dorsey conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Jim Macleod and his Band in Radio 2 Ballroom (S). 11.02-6.00 a.m. The All-Night Late Show including 12.00 Big Ben. 12.30 a.m. Greetings by telephone.

RADIO 3 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Tchaikovsky (S). 9.50 BBC Concert Orchestra (S). *10.45 Antony* Peeble's piano recital: Rachmaninov, Franck, Ravel (S). 11.40 Baroque instruments: illustrated talk (S). 12.10 p.m. Mid*day Concert, part 1: Haydn, Elgar* (S). 1.00 News. 1.05 Playbill (S). 1.20 Midday Concert, part 2: Beethoven (S). 2.00 *The London Sinfonietta, part 1: Monteverdi,* Goehr, Schubert (S). 2.55 In Short (talk). 3.00 Concert, part 2: Goehr (S). 3.50 Haydn and Schumann chamber music concert. 4.40 Helmut Eder concert (S). 5.25 Atarah and Friends (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (Continued). 6.30 Lifelines: Leisure and Recreation. 7.30 Havergal Brian Centenary: Sibelius, Brian (S). 8.05 Rainer Maria Rilke (S). 8.25 Concert, part 2: Sibelius, Brian (S). 9.15 An Unexpected Rebel: Archbishop Lefabvre *(talk by Peter Hebblethwaite).* 9.30 Schubertiads, part 1 (S). 10.35 Interval Reading. 10.45 Schubertiads, part 2. 11.30 Elizabethan Dances (S). 11.55 News. 12.00 Big Ben.

RADIO 4 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today, including 7.45 Thought for the Day. 8.00 News and more of Today. 8.45 Jumbo. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 They Had To Be Joking: Victorian and Edwardian humour. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Something To Declare. 11.50 Success is . . . Michael Caine: What success means to him. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute. †12.55 Weather, programme news, VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour from Birmingham, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Seventy Marvellous Years: Dame Angela Marvell celebrates her 70th birthday. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report, VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 The Burkiss Way. 6.45 *The Archers.* 7.00 News. 7.05 The Princess and the Urchin: short story for New Year's Eve (S). 7.30 Pick of the Year. 8.30 Any Questions? 9.15 Letter from America. 9.30 In The Winter of the Year (S). 9.59 Weather. 10.00 The World Tonight: News including Financial Report. 10.45 With Great Pleasure: Gerald Durrell with his *favourite poetry and prose.* 11.30 News. 11.40 Watchnight Service from St. Mary's Church Clifton, Nottingham. 12.00 Big Ben: All At Sixes and Sevens. Ned *Sherrin invites you to greet the New* Year.

New Year's Day

RADIO 1 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 8.06 Ed Stewart (S) (also on VHF) with Junior Choice. 10.00 Kid Jensen. 12.00 John Peel. 1.31 p.m. The Stevie Wonder Show (S) (also on *VHF*). 2.30 *Alan Freeman (S) (also* on VHF). 5.31 Alexis Korner's Blues and Souls Show (S) (also on VHF). 6.30 In Concert (S) (also on VHF), Review of *1976.* 7.30 As *Radio 2.*

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S) including 7.03 and 8.03 Cricket. 8.04 Racing Bulletin. 8.06 As Radio 1. 10.02 Cricket. 10.03 Terry Wogan (S). 11.30 The Best of Two's Best (S) in 1976. 1.02 p.m. Punch Line. 1.30-5.55 Sport on 2 (1,500m only, also 202m Scotland, VHF joins Radio 1). 6.03 Wally Whyton (1,500m only, also 202m Scotland, VHF joins Radio 1). 7.02 Roy Castle (1,500m only, also 202m Scotland, VHF joins Radio 1). 7.30 Review of Last Year's *Radio 2* Top Tunes (S). 8.30 Kings of the Keyboard (S). 9.02 Saturday Night (S) with the BBC Radio Orchestra. 10.02 Hits of Europe '76 (S). 11.02 *Sports Desk.* 11.05 *Ray Moore* (S) with The Late Show. 2.00 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S) *Concert: Offenbach* on records. 8.55 John Clare and Birdsong. Bird poems. 9.00 News. 9.05 Stereo Release (S) Some records of 1976: Bach, Gluck, *Mozart*, Granados, Tavener. 10.00 New Year's Day Concert (S) Viennese music. 12.55 p.m. News. 1.00 Heritage. Talk. 1.15 Music for Four Pianists (S) Recital: Milhaud, Moskovski, Dahl, Fumagalli. 2.10 Man of Action (S) Kenneth Williams chooses records. 3.35 Music of the Masters (S) by Vivaldi, Brahms, Elgar; records. 5.00 Jazz Record Requests (S). 5.45 Critics Forum. 6.35 Vasary Plays Debussy (S) records. 7.00 BBC Symphony Orchestra (S) Concert: *Mozart, Britten, Haydn. 8.30 Giuseppe de* Luca. Centenary portrait. 9.30 Copland and Martinu (S) Chamber music concert. 10.15 Bach's *First Christmas at Leipzig* (S) Cantata No 190. 10.40 Warwick. Talk by Ray Gosling. 11.00 Dowland (S) Lute recital on records. 11.15 Sounds Interesting (S) New records. 11.55 News.

RADIO 4 434m, 330m, 285m and VHF

†Medium Wave Only.

†6.50 a.m. Outlook. 6.55 Today's Listening. 7.00 News. 7.10 On Your Farm. 7.40 Outlook. 7.45 Today. 8.00 News; Today. 9.00 News. 9.05 From Our Own Correspondent. 9.30 Talking Politics. 10.00 News. 10.02 Between The Lines. 10.15 Daily Service. 10.30 Pick of the Year. *11.30 Science Now.* 12.00 p.m. News. 12.02 The Enchanting World of Dr. Evadne Hinge and Dame Hilda Bracket. 12.30 Future Perfect. A pre*view of 1977.* 2.00 News. 1.15 Any Questions? 2.00 Weekend. Miscellany of chat, fact and fiction. 3.00 News. 3.05 Thirty-Minute Theatre: "Quite a *Lay-out.* 3.35 *Music of the Masters (S)* as Radio 3. 5.00 PM Reports. 6.00 News. 6.15 Desert Island Discs. 6.45 With Great Pleasure: Gerald Durrell introduces his favourite poetry and prose. 7.30 These You Have Loved (S) Richard Baker; records. 8.30 Saturday-Night Theatre (S): "The Doppelganger." 9.58 Weather. 10.00 News. 10.15 Dame Edith Evans (1888-1976). A tribute. 11.00 Lighten our Darkness. Evening prayers. 11.15 News.

CHESS SOLUTIONS

Solution to Position No. 147

1 NxP ch, PxN; 2 B-B6 ch, K-K3; 3 Q-N3 mate.

Solution to Problem 147

1 Q-N7, K-K7; 2 Q-Q4, and if K-B6; 3 Q-K4 mate, or if K-B8; 3 Q-B2 mate.

The Arts

The 1976 theatre

BY B. A. YOUNG

In a survey like this that I wrote in 1969 I divided the productions in the West End commercial theatre by categories. This is how it worked out: 14 comedies and farces, nine musicals, four pantomimes (or equivalent), three thrillers and eight "serious plays," using this term for anything not amenable to classification elsewhere.

How does it go this year? Excluding the outright erotica, the small ads in my paper yield the following: 11 comedies and farces, ten musicals, three pantomimes, excluding matinee-only children's shows, three thrillers and ten serious plays. But of these serious plays, the National is responsible for three and the Royal Shakespeare for one, so the situation is not quite so unchanged as it seems. It is changed more when you take into account the new category of erotica, which totals four entries even if you count *Carte Blanche* and *Oh Calcutta*, as I have, among the comedies.

Oh well, even critics don't have to go and see them all.

From the year's comedies, Tom Stoppard's *Dirty Linen* and Alan Ayckbourn's pentalogy *Confusions* naturally stand out:

Alec Guinness in 'Yahoo'

Michael Frayn offered two urbane pieces, *Clouds* at Hampstead and *Donkey's Years* in the West End. There was fun but little organisation in Mike Stott's *Funny-Peculiar*. David Storey's *Mother's Day* upset every critic but me; half of John Mortimer's *Heaven and Hell* was terrific. Brian Rix returned to the Whitehall and shortly afterwards announced that he was tired of farce. Join the club, Brian.

Those nine musicals amount to less than you might think. The best new musical of the year must be *A Chorus Line*, but it really isn't a tremendous show, depending for the support of its one idea only on the merit of the dancing and songs. My vote, if votes are called for, must go to *Side by Side by Sondheim*, though it is a revue rather than a musical. Little *Spokesong* at the King's Head pleased many. The practice of reviving old musicals and boosting them, if necessary, with extra songs has proved doubly successful, first for *Very Good Eddie*, an enchanting show, and second for *Irene*, another enchanting show. Our own big home-baked entry *Mardi Gras* was not an enchanting show and closed after a short run, losing a vast sum. That will teach people to commission British writers to write American musicals.

Two of the thrillers are by Agatha Christie, and one of them has been around for over 24 years. Another one is a revival, *The Ghost Train*, which has been around for over 50 years. I suppose I ought also to include *Dracula* in the Pip Simmons version, but that seems to me, if anything, to be a comedy, and in the end I have left it out altogether.

Among what I have called serious plays, I suppose the outstanding example is Dennis Cannan's *Dear Daddy*, which has something to say, about the break-up of the middle-class home ethic, and says it gracefully. *Dirty Linen* I count also as a serious play because anything that does so well what it sets out to do (it's a farce, actually) must be regarded as serious. *Otherwise Engaged* persists from last year and is still worth seeing. *Yahoo*, combining Jonathan Swift and Alec Guinness in one programme, can hardly avoid success. But oh dear, some of the other serious plays of the year seem pretty unserious in retrospect. If you want good new drama, the place to look for it at the moment is in the subsidised theatre.

This is not to say that the subsidised theatre is in a specially happy situation. Last year inflation had already begun to saw away at the foundations; this year it has made more progress. Whereas in 1975 it was reckoned really awful that the Theatre Upstairs should have to shut for a few weeks, and people really believed the Royal Shakespeare when they threatened to close the Aldwych, the final month of this year witnesses the actual demise of three useful London fringe theatres—the ICA, the Theatre at New End and the fledgling Square One—and the winding-up of a good regional company, Tyneside. Add to these the Open Space, whose premises are to be demolished to make room for a big office-block.

This time next year I suspect I shall lament the finish of more companies and more theatres. The Arts Council is restricted to a standstill operation, and a standstill operation is no help to a company unable to balance its books in one year and confronted with heavy inflation the next. Let me say, though, that if a standstill operation really proves possible and doesn't lead to an indignant refusal by the IMF to lend us any money, we should be jolly grateful. It's not what they are having in the schools and the hospitals and the armed forces.

Of course the greatest achievement in the year's theatre has been the opening of Sir Denys Lasdun's splendid complex on the South Bank. Why this should have led to such an outbreak of petty criticism I can't understand; grand criticism, by all means—says it's hideous if you think it's hideous, say it's wasteful if you think it's wasteful—but some of the niggles brought out against the building and its artistic director have been pathetically small-minded. It is hardly Peter Hall's fault if the builders fail to complete their work on schedule, or if the splendid stage machinery remains as much an appearance as an accomplishment, like the Lagonda motor-car.

Having thus got on to the subject of the National, I should begin my survey of the subsidised theatre with this company and its fellow-giant, the Royal Shakespeare Company.

As it happens, the National's record for new productions is below par, I cannot disguise it. When the company moved into the Lyttelton in March, they brought with them *Happy Days*, *Plunder*, *Hamlet*, *John Gabriel Borkman*, *No Man's Land* and *Watch It Come Down*. To this they have subsequently added *Blithe Spirit* in a grey production by Harold Pinter, Howard Brenton's *Weapons of Happiness*, a sparkling revival of *Jumpers* and Bernhard's tedious *Force of Habit*.

Meanwhile at the Olivier, though without its stage machinery, we have *Tamburlaine*, to my way of thinking one of the greatest poems in the English language and presented with a due appreciation of its magnificence; *The Playboy of the Western World* lifted bodily from proscenium-arch to open stage, but as delightful as ever; the awful production of Goldoni's under-first-rate *Il Campiello*, chosen for the official Royal Gala presumably because of its shortness. Couldn't we have waited for Albee's *Counting the Ways*? This is even shorter, and a good deal funnier; it has been accused of triviality, by me among others, but *Il Campiello* is hardly a signal masterpiece.

Lacking its studio theatre, the Cottesloe, the National also offered us some "fringe" theatre at the Young Vic, which I can sum up in the phrase "of varying quality."

Stratford-upon-Avon reinforces my belief that its staff are growing tired of Shakespeare. Among this year's offerings, we have *Much Ado about Nothing* set in Imperial India, *The Winter's Tale* (specifically located in Sicily and Bohemia) transferred to the rmote Arctic circle: *The Comedy of Errors* provided with new songs and dances, which at any rate do something to boost the year's poor record for musicals; and *King Lear* transposed into something like the world of the Emperor Franz Josef. To me this doesn't signify a fertile imagination; it suggests lack of imagination.

As it happens the RSC has a fine company, who play well despite the handicaps put in their way: Donald Sinden's Benedick was predictably good but his Lear, a big new venture for him, confirmed his ability to

Albert Finney in 'Tamburlaine'

play great parts when called on. Ian McKellen's Macbeth in the company's small theatre, The Other Place, earned much praise; I wasn't able to see it but hope to in the New Year.

As usual, the company showed up better at the Aldwych, with much-admired productions of Shaw's *Devil's Disciple*, Chekhov's *Ivanov* (another personal triumph for John Wood) and a scrupulously authentic *The Iceman Cometh* in celebration of the U.S.A.'s bicentennial celebrations. *The Zykovs* rather suggested that David Jones's exploration of Gorky's drama may be reaching the end of the lode. Arbuzov's *Old World*, delighted as we were to see Anthony Quayle back, and Peggy Ashcroft home from her sojourn in the Other Theatre, was a terrible bit of sentimental nonsense.

Now if traditional Shakespeare is out of fashion at Stratford, in another place it is coming back more traditional than ever. The long-awaited reproduction Globe Theatre on which George Murcell has been working for so long opened in a converted church in Tufnell Park Road in North London, and put on its first three productions, strongly cast and directed as nearly as possible in the style of the early 17th century, except that electricity replaced daylight and candles for the lighting.

The Royal Court seems to have abandoned its original aim, to concentrate on new work by British (I think specifically English, though no doubt that is a slip of the pen) writers. It gave us a fine season of Irish Beckett, who writes in French, including a superb *Godot* in German. *Parcel Post* stemmed from Nigeria; I thought it one of the best African plays I've seen. *Rum an Coca-Cola* from Trinidad; liked that too. The English writers were Christopher Hampton, with a pretty but lightweight comedy *Treats*, and David Storey, with *Mother's Day*, and the blackest comedy yet, which earned him a good deal of vilification but (if that's any consolation) more correspondence from fans than all his previous plays put together. Also Peter Gill, with a moving play about boyhood, *Small Change*.

Still, the English had some hits in the Theatre Upstairs—Joint Stock's *Yesterday's News*, about the Angolan mercenaries, and Caryl Churchill's *Light Shining in Buckinghamshire*. Now I come to think of it, though, *Yesterday's News* had no writer, only two directors and the actors.

Among the smaller London theatres, New End (alas, no more) scored highly with Michael Weller's *Fishing*, and earned marks for the right ideas with Fassbinder's *Petra von Kant*. The Bush gave us another Kroetz, *Geisterbahn* — a second act, virtually, to *Stallerhof* — and Bauer's *Magic Afternoon*, as British as its title in feeling despite its Austrian origin. The Almost Free's great success was, or I should say is, Tom Stoppard's *Dirty Linen*, but I also enjoyed a quiet piece about *Tsafendas*, the murderer of South Africa's Prime Minister Verwoerd, and they celebrated the bicentennial with a couple of pieces by Edward Bond. Square One, which only came into existence in the autumn and is likely to go out of it any moment, gave a worthwhile season of new American plays, including David Rabe's *In the Boom-boom Room* (still

Ian McKellan in 'Macbeth'

running as I write—cross your fingers).

Away from central London, the Round House devoted much of the year to *La Grande Eugène*, a French mime show that made itself very welcome. Before that, however, we saw Peter Brook's long-heralded *The Ik*; admirably as the international cast had been drilled, I found the play less interesting, less moving, than Colin Turnbull's book from which it was quite straightforwardly adapted.

On the other side of the compass, Greenwich produced what I thought was among the best comedy of the year, John Mortimer's second play in a double-bill, *Heaven and Hell*. I'm amazed this show didn't come to the West End; perhaps someone is even now preparing to unamaze me.

The theatre outside London becomes increasingly important. The Birmingham Rep, for instance, won ecstatic praise at the Edinburgh Festival for its productions of *Measure for Measure* and Jonson's *The Devil is an Ass*. Nottingham as always contrived an unhackneyed repertoire. Leicester in the late autumn could boast Sophocles' three Theban plays in repertory at the Haymarket and three Shakespeare plays at the Phoenix. Bristol, with three municipal theatres, keeps them all full of imaginative material, including the Arbuzov season of three plays (two new to us). Chichester was fairly dull in spite of Rex Harrison, but *The Circle* deservedly came to London.

Googie Withers in 'The Circle'

Good work to report, too, from York, where I specially enjoyed Jane Howell's production of the Mystery Plays; from the ill-fated Tyneside company in Newcastle (still going until January 31); the ever-interesting Glasgow Citizens. Manchester has a brand new theatre, built in the shell of the Royal Exchange, and working with all the collected riches of what was the 69 Theatre Company.

The prospect this winter

The ballet BY CLEMENT CRISP

The New Year's balletic attractions are not, I would hazard, at first calculated to send anyone off in a frenzy of booking tickets. The fault lies, initially, with the continuing stringency over State funds which is afflicting the arts with pernicious financial anaemia; under these debilitating conditions playing safe has become a way of life. At Covent Garden the Royal Ballet is playing not so much safe as dozzo, with *Swan Lake*, *The Nutcracker*, *Romeo and Juliet* and *La Fille mal Gardée* occupying the January schedule. This hibernation is broken in February with the arrival of Marcia Haydee, Richard Cragun and John Cranko's *Onegin* from Stuttgart. *Onegin* will receive its Royal Ballet première on February 16 (with Merle Park, Leslie Collier, Anthony Dowell and Wayne Eagling in the leads). It is a careful and appealing version of Pushkin's poem, and Haydee and Cragun will later assume its leading roles, as too will Lynn Seymour and David Wall. A ballet first given in Stuttgart (because the Opera House was seized with genteel uncertainties as to what might happen to a major score) will also return to the repertory in February. This is MacMillan's *Song of the Earth*, as near a masterpiece as makes no difference, and the glorious Marcia Haydee will be seen in it in the role she created. (We shall have to wait a good deal longer for MacMillan's most recent triumph in Stuttgart—to the Fauré *Requiem*—but that is another story, rather similar to *Song of the Earth's*.) Joining Haydee will be Richard Cragun as the Man and Anthony Dowell as the Messenger of Death, the sort of casting that makes the fans sit up and bark, and the second cast will feature the no less welcome trio of Monica Mason, David Wall and Michael Coleman.

Swan Lake will also continue to be on inevitable view in February. My own secret hope is that we shall one day see Rod Hull and Emu in it—casting no less inapposite than some I have seen during 30 years attendance at these rites—but for the aficionados the appearance of Wayne Eagling as Siegfried is not to be missed. Eagling, with his mercurial style, is an artist of exceptional gifts.

For travellers abroad let me recommend the New York City Ballet season at the New York City Centre in January/February: tremendous repertory and tremendous dancers, whose Paris showing in the autumn reminded Europe of Balanchine's ability to make classic dancing absolutely relevant to to-day. Also in New York the American Ballet Theatre season at the Uris Theatre will feature *Coppélia* and *Giselle*, in which at last Natalya Makarova can be seen. The chance to watch her Giselle is not under any circumstances to be missed—she is its greatest interpreter to-day. Similarly her incarnation of *La Sylphide*, which is scheduled for the Paris season of Scottish Ballet at the Palais des Sports in February. Scottish Ballet is appearing with Nureyev; their *Sylphide* is the best staging I know, and Makarova's impersonation of the child-like and beguiling sprite is adorable. *La Sylphide* is also billed at the Paris Opéra throughout January, and anyone feeling the call of critical duty can compare the Scots' Bournonville version with the Opéra's "Lacotte after Taglioni" production. The omnipresent drift of tarlatans and the swirl of kilts is going to make Paris like the setting for a dotty Highland Games.

Mikhail Barishnikov returns to Covent Garden with the spring, partnering Antoinette Sibley (whose recurrent knee injury will by then we hope be cured) in *Romeo and Juliet*, and also making his first appearance in *Fille* in early April with the delightful Ann Jenner as Lise. His Romeo we know is exceptional; as Colas he will surely be ideally cast.

Away from the capital cities touring goes on, and on. The new Ballet International will be visiting Paignton, Newcastle, Eastbourne, Oxford and Coventry; Festival Ballet will be in Manchester; The Sadler's Wells Royal Ballet in Southampton, Liverpool, Aberdeen and Glas-gow. Rambert goes to Man-chester and London. Contempor-ary Dance is to make one of it[s] extraordinary "residencies" i[n] Yorkshire. Spare a thought fo[r] the dancers circling our region[s] in winter, with the added de-lights of Sunday travel o[n] British Rail and train food, an[d] those terrible waits late at nigh[t] at Crewe, when the iron enter[s] the soul and you know that th[e] next stop is death from ennu[i] and sheer despair.

The cinema BY NIGEL ANDREWS

For film distributors, the Christmas holidays offer the one safe haven in a financially ever more squally year: a time when the expense involved in wheeling out their latest and biggest celluloid extravaganzas—*Jaws* last year, *King Kong* this year—is offset by dependably high audience levels and by the economy effected by all those Christmas reissues. This New Year, the West End is graced by the return not only of such family perennials as *101 Dalmatians* and *Fiddler on the Roof*, but of diehard adult fare like *Last Tango in Paris*, *Lipstick* and *The Last Woman*.

There is hardly less pungent a sense of *déjà vu*, furthermore, in the new releases themselves: in the hirsute nostalgia of *King Kong*, in the swashbuckling, 1950s-style flamboyance of *The Scarlet Buccaneer*, and in the return, for the fourth and surely not the last time, of that indefatigable sleuth Inspector Clouseau.

But if a casual glance at the cinema's New Year fixture list suggests an unflagging loyalty by the distributors to their annual Yuletide motto *Ring Out The New, Ring In The Old*, there is ample compensation to be found, if one delves a little deeper for those with more adventurous tastes. London's independent cinemas continue to multiply and flourish; and they offer at least three programmes well worth braving the winter cold to visit. Showing at the Paris-Pullman is a double-bill of two new German films, Werner Herzog's lyrical study of a champion ski-jumper *The Great Ecstasy of Woodcarver Steiner* and Fassbinder's knotty melodrama *Wild Game*. At the Gala Royal there is the best Western of the year, Tonino Valerii's witty and spirited *My Name Is Nobody*. (Take no notice of the critical disdain with which it was greeted here—English reviewers are *notoriously* hard-nosed when it comes to Italian Westerns.) And the Academy has Bernardo Bertolucci's luminous puzzle piece *The Spider's Stratagem*, six years old, but still his best film to date.

West End attractions, in addition to the self-publicising blockbusters already mentioned, include two films that slipped into London with little acclaim but deserve a closer look. One is *Cooley High*, a lively all-black addition to '60s high-school genre popularised by *American Graffiti*. The other is Marco Ferreri's underrated *The Last Woman*: a fierce, sardonic, uncompromisingly pessimistic saga of sexual warfare, which is well worth seeing if you can take two hours off from your assiduously sustained mood of Yuletide cheer—and if you can afford the prices the Cinecenta has the temerity to ask for some of the least comfortable cinema seats in London.

For those filmgoers determined to expose themselves only to sweetness and light during the festive season, there are several movie offerings one can recommend. The National Film Theatre follows a two-week season devoted to the bespectacled misadventures of Harold Lloyd with a 20-film tribute to that stylish comedy director of the 1930s Gregory La Cava (of *Stage Door* and *My Man Godfrey* fame). Orson Welles's *F For Fake* continues to mystify and mesmerise audiences at the Essential Cinema. *Cousin Cousine* is a French tale of adultery as unoffending and beguilingly romantic as any story of young love. And why not treat yourself to a second viewing—or a first if you have never seen it before—of Stanley Kubrick's majestic period piece *Barry Lyndon*; making a welcome return to the Warner cinema?

Strangely, while it ha[s] become a national pastime recently to bemoan the death o[f] the cinema and the chilling regu-larity with which yesterday'[s] picture palaces are turning int[o] to-day's Bingo halls, there prob-ably exist more public movi[e] screens per square mile in th[e] centre of London to-day than a[t] any time in recent years. To b[e] sure, they are smaller screen[s] than of old, and in many case[s] they survive on a desultory die[t] of sex films or ever-returnin[g] money-spinners like *Last Tang[o]* or *Cabaret*. But many of the new-born independent cinemas—lik[e] the Gate or the Essential or th[e] Phoenix—have proved an irre-pressibly lively addition to th[e] London cinema scene. And ther[e] can seldom have been a tim[e] when the nation's capital offere[d] a stronger and more concerte[d] challenge to the cosy temptatio[n] of spending Christmas and Ne[w] Year by the fireside, watchin[g] the old, old feature films on TV.

The opera BY RONALD CRICHTON

The first months of an average year are not as a rule precisely what one would use to support the theory, once bravely upheld, that London was the musical capital of Europe (or was it the world?). The full richness and variety have long moved to the summer, to the months that before the war were musically as parched as the grass in Hyde Park last September. But there is solid, typical nourishment to be found in London in the coming weeks, with one or two things worthy of special notice.

Both opera houses offer important premieres. The Royal Opera at Covent Garden is to revive Weber's *Der Freischütz* (27th January) with Colin Davis conducting and a new production by the controversial Gotz Friedrich. The cast (this most German of romantic operas will be given in the original language) includes Lucia Popp, René Kollo and Kurt Moll. At the Coliseum on February 2, the English National Opera give the world premiere of Iain Hamilton's opera *The Royal Hunt of the Sun*, based on Peter Schaffer's successful stage play of the same name. On March 25, one of the ENO's most successful modern productions, Henze's *The Bassarids* makes a reappearance. Rossini's rarely heard *Tancredi* will be given a semi-staged performance at the Elizabeth Hall on 27th January.

Concert-life looks much as usual. When the Nutcracker and the musical films die away on South Bank, the musical stars twinkle once more—Haitink, Andrew Davis, Kyung-Wha Chung, Kubelik, Brendel, Solti, Ashkenazy (as conductor), James Levine; Vlado Perlemutter are a few names that catch the eye. Programmes are sound rather than adventurous. There is a sprinkling of contemporary music including notably the Park Lane Group's "Young Artists and 20th Century Musi[c] Series" at the Purcell Roo[m] from January 3 to 7 and Steve Reich evening at th[e] Round House on February [?] (Those interested should get th[e] leaflet "20th Century Music i[n] London" published by Co[n]temporary Concerts Co-ordina-tion, c/o SPNM, 1 Montagu Street, W.C.1.)

The stage BY B. A. YOUNG

"The very rich are different from us," said Scott Fitzgerald to Hemingway. "Yeah," said Hemingway, "they have more money." This is the difference between the subsidised theatre and the commercial theatre, and it explains why it is so much easier for the subsidised houses to plan a long way in advance while the commercial managements must run their profitable shows as long as they can and keep their new productions until a theatre falls vacant.

So, starting at the top, here is the National Theatre in the New Year. *Hamlet*, *Tamburlaine* and *The Playboy of the Western World* will continue at the Olivier, with some other less attractive fare. On January 21 they are joined by Ödön von Horwath's *Tales from the Vienna Woods*, which offers previews until the official first night on January 26. The author was a Hungarian who wrote in German, and the play has not been done in England before, though it has a high reputation in Germany and Austria. The translation has been done by Christopher Hampton, and the Austrian actor Maximilian Schell will direct.

Blithe Spirit moves over from the Lyttelton to the Olivier in February. The Lyttelton will then be showing *Jumpers* and *No Man's Land*, which is back from New York for a short season with Sir John Gielgud and Sir Ralph Richardson in their matchless double act.

At an unscheduled date in March, there will be a new Alan Ayckbourn comedy, *Bedroom Farce*, and a little later, a new piece by Robert (*Vivat Regina!*) Bolt, with the unpromising name of *Lenin's Testament*.

The other top company, the Royal Shakespeare, will be concentrated at the Aldwych until next year's Stratford-upon-Avon Festival begins in the spring. Do anything legal to get tickets for *Wild Oats*, both hilariously funny and splendidly played. Arbuzov's *Old World* may appeal to the most sentimental among us, but otherwise its charms are confined to the playing of Peggy Ashcroft and Anthony Quayle.

In mid-February, they will give a new play by Peter Nichols, *Privates on Parade*, set among H.M. Forces in past-war Malaya, with Dennis Quilley marking his transfer from the National.

In the Royal Court, London's third main powerhouse of subsidised theatre, the year will begin with a return visit from *Sizwe Bansi is Dead*, the South African play whose authors-cum-lead-players were lately imprisoned in Transkei but released when their detention proved to have effects more widely deleterious than the Transkei authorities could ever have imagined it would.

The unsubsidised theatre can't offer many such firm predictions; but there will be the new, British Company in *A Chorus Line* at Drury Lane for those who enjoyed the American company; and a revival of Sir Terence Rattigan's *Separate Tables* at the Apollo from mid-January, with John Mills and Jill Bennett at the top of the cast.

It will amaze many people, no doubt, to learn that there is theatre out of London that can compare with theatre in the capital. Here is a random guide. The Royal Shakespeare itself is playing in Newcastle in March and April. As Newcastle's local company is having some little local difficulties, this is particularly happy. Nottingham's handsome Playhouse will present Feydeau's *A Flea in her Ear* in January, Stephen Poliakoff's *City Sugar* (a play about Leicester!) in February and Chekhov's *The Cherry Orchard*, newly translated by Trevor Griffiths, who wrote *Comedians*, in March. Leeds will have a Wesker premiere in January.

Birmingham devotes most of the first quarter of next year to Alan Ayckbourn's *Norman Conquests*, which in fact consist[s] of three plays. Leatherhea[d] will show *Arms and the Ma[n]* and Frank Harvey's *The Da[y] after the Fair* (adapted fro[m] Thomas Hardy) in January an[d] February, and a new play b[y] Philip Mackie, *A Marriage*, i[n] March.

The remarkable new Exchang[e] Theatre in Manchester (worth [a] visit just to see it) has J[oe] Orton's *What the Butler Sa[w]* until the end of January, b[ut] from the 13th it will be runnin[g] in repertory with Thornto[n] Wilder's *The Skin of our Teet[h]*. High spot at Greenwich ma[y] prove to be Max Wall as Malvoli[o] in *Twelfth Night*, opening i[n] March, though they announce [a] play by Euripides called *T[he] Venetian Women* which oug[ht] to be absolutely fascinating. T[he] Liverpool Playhouse will ha[ve] *The Boys in the Band* in Fe[b]ruary and *The School f[or] Scandal* and *The Front Page* [in] March. So, to coin a phrase, goes.

The television BY CHRIS DUNKLEY

Nineteen seventy-six was a great year for anniversaries on television: the American bicentennial, 40 years of BBC television, 21 years of ITV, 20 years since Suez and the Hungarian uprising, 25 since the Festival of Britain, 30 since the opening of the Third Programme, and so on.

But if you think those were worth an extraordinarily large number of nostalgic programmes just wait until television gets its teeth into the anniversary blockbuster of 1977: Queen Elizabeth's Silver Jubilee. You will not have to wait long. Starting at 10.10 to-morrow morning BBC2 is re-running Coronation Day in full—all seven hours of it.

At the BBC there has always been a special fondness for this Dimbleby marathon (prefaced to-morrow by son David) which goes beyond the constitutional aspects of the event.

With 20 cameras scattered along the route and in the Abbey, it was the biggest outside broadcast ever mounted up to that date: but even more important, it was the coronation coverage that really established television in Britain as a mass communications medium of great significance and enormous potential. Thousands of new sets were sold on the strength of the coronation, and on that day there were probably more viewers per set than ever before or since.

Coronation Day 1953 was, of course, made on black and white film. If your preference is for the full-colour electronic technology of to-day's videotape, you would do well to watch to-morrow night's *Aquarius* from London Weekend. James Galway gives a splendidly vivacious performance of Vivaldi's "Four Seasons," in his own transposition for flute, and producer/director Bryan Izzard backs this up with illustrations in chromakey and other forms of overlay, negative images, and goodness knows what else, following the minutely descriptive sonnets which Vivaldi wrote to accompany the music.

Looking further ahead to television in 1977, it is going to be a big year for the Christians—and not just because Michael Barratt takes over a restyled *Songs Of Praise* on BBC1 this coming Sunday, either.

On January 16 ITV will begin its big series *Moses The Lawgiver* with Burt Lancaster bearing both upper and lower molars in the title rôle, and Anthony Quayle playing Aaron during six one-hour episodes which Lord Grade of ATV has co-produced with Radiotelevisione Italiana.

That is a mere teaser, however, in preparation for his big, big production, *Jesus Of Nazareth*, which he is hoping will start transmitting on the ITV network at Easter. This series, also comprising six one-hour programmes, has been directed by Franco Zeffirelli, stars Robert Powell in the eponymous rôle, and—according to Lord Grade at his Christmas lunch for the Press last week—"cost $18m, including the interest."

If a more cerebral treatment of Christianity is to your taste, Granada are expecting to be ready in the summer with 13 hour-long documentaries looking at the influence of Christianity on life in general and on the arts in particular. Writer/narrator Bamber Gascoigne has been travelling in 35 countries with a film crew to make the series.

Staying with religious titles but moving to the opposite end of the spectrum in terms of programme moves, the ITV network will from Monday be replacing Thames's ratings winner *The Sweeney* with a new American series called *Charlie's Angels*, upon which ITV are resting hopes which may have been hoisted up dangerously high.

In America the series is credited with having pulled ABC Television almost single handedly into the top ratings spot among the big three networks for the first time in history. It is by all accounts a slickly made series, starring Kate Jackson, Farrah Fawcett-Majors (wife of *Six Million Dollar Man* Lee Majors) and Jaclyn Smith as three ex-policewomen working for the mysterious Charlie whose orders—with paralysing lack of originality—are all given by phone.

It is claimed that each episode cost a third of a million dollars, and executive producer Aaron Spelling has said: "We're more concerned with hairdos and gowns than the twists and turns of the plot"—which has a telling ring of depression-era Hollywood about it.

ITV are hoping that with *Charlie's Angels*, *Six Million Dollar Man*, *Bionic Woman*, and *Rich Man Poor Man* (starting with repeats in January, running into new episodes in March) in their schedules, all bought in from America, they will be able to turn the tables on the BBC, whose domination of the 1976 winter ratings is attributed by many within commercial television to the BBC's purchase of *Kojak* and *Starsky And Hutch*. It is hardly likely to be quite as easy as that.

One of the most important new series from the BBC, starting on January 10 and running for 13 weeks, is *The Age Of Uncertainty* which has been made by the same team, led by Adrian Malone, that produced the Bronowski programmes.

Since the late Profess[or] Bronowski's series about t[he] development of civilisation fro[m] the earliest time was called *T[he] Ascent Of Man*, and the ne[w] series written and narrated [by] J. K. Galbraith starts with Ada[m] Smith and studies the rise a[nd] growing crisis of industr[ial] society up to the present day, [it] is hardly surprising that it [is] known already within the BB[C] as "The Descent Of Man."

Once again material for t[he] programmes has been garnere[d] from all over the world, and on[ce] again the series reflects qui[te] specifically the historical inte[r]pretation of one man. Howeve[r] where Bronowski's style tende[d] to be heroic, rhetorical, a[nd] benign I understand that Ga[l]braith's—as might be expected—is more acerbic and satirical [if] not downright malign.

Episodes 1 and 2 are call[ed] "The Prophets And Promise [of] Classical Capitalism" and "T[he] Manners And Morals Of Ca[pi]talism," and the series continu[es] via Karl Marx and colonialis[m] to "Lenin And The Great U[n]glueing," Keynes, and "The B[ig] Corporation," to our own tim[e]. It all sound tailor-made for t[he] readers of this newspaper.

Also in 1977 the BBC will [be] celebrating 40 years of Wimb[le]don coverage, 30 years of Bo[at] Race coverage, and 20 years [of] Miss England programmes. Y[ou] have been warned.

How to spend it

by Lucia van der Post

PERSONALLY, I'm a coward about sales. I hate every moment. The pushing, the shoving, the crowds, the heat and, above all, that desperate feeling that somewhere, hidden beneath all those piles of unenticing, slightly grubby goods lurks the bargain of a lifetime, leaves me feeling rudderless and overwrought. I have, when especially hard-up or in search of some special item, braved some of the major stores on the first day of their sales, but it was never a success.

Last year in desperate need of a warm coat and having a spare hour at the time I went along to a big store's first sale day only to have my new Christmas hold-all pinched within five minutes of entering the store.

Which isn't to say that I don't fully admit that sales are a GOOD thing. I can never, for instance, understand why linen is bought at any other time, and for those with stamina the sales offer a golden opportunity to find some of the household essentials at good prices and the occasional wonderfully extravagant item that would otherwise have been beyond one's reach.

The golden rule about sales is never to buy anything without being sure you want it—it sounds simple enough but the number of people who end up with a gold lamé skirt and nothing to go with it, or a bookcase too big for the alcove, are legion.

I think the best things to go for are firstly the staples, like linen, that one always needs and knows one needs. Secondly, good classic buys—the really good blazer that could transform several outfits for years to come, the Burberry you've always longed for but can't normally afford, the cashmere sweaters and so on. If all that makes it sound a bit dull there is always the possibility that you really will this time find one truly mad, beautiful item that never in your wildest dreams had you thought of buying but that will give pleasure and delight for years.

Many people are under the impression that buying in sales is somehow "different" from ordinary buying and that they don't have quite the same protection from the law. In fact when you buy in a sale you have exactly the same rights as at any other time and notices declaring that goods may not be exchanged or refunded are illegal.

I suppose the biggest problem for most shoppers is knowing exactly why things are reduced in sales and what exactly "seconds" and "imperfect" mean. There are several shops whose professed policy is to reduce just those items that haven't sold particularly well, of which they bought too many or that are now *out of season* and need to be cleared to make way for the new season's goods. Here is your most likely chance of finding a true bargain.

Goods bought in specially for the sale are usually (and, in a reputable store, always should be) labelled as such, but legally they do not have to be so labelled. Very often these goods are also manufactured specially for selling in sales and you should then beware—they may often be of inferior quality, designed solely to sell in sales at a very low price.

Sometimes, however, they can be well worth *looking* at—a manufacturer that has a surplus of a particular design may well like to offer a bulk purchase to one particular *shop* at reduced terms.

Knowing exactly how the sale price compares with the original price is another difficulty. Very often goods are labelled with a "recommended price" and "our price" and here the second price may well not be as low as is often to be found in discount stores and shops specialising in low prices.

When it comes to seconds, goods marked "substandard," "imperfect" or any other phrase indicating that they are less than perfect, it is important to find out exactly what is wrong with the object and then decide if it is spoilt irrevocably for you.

The onus here is on the customer and the only reasonable grounds for taking it back later on would be if it did not fulfill the function for which it was intended — in other words you cannot ask for a refund because of a flaw in a piece of fabric or a crack in a piece of china but a kettle that doesn't boil or a clock that doesn't go entitles you to a refund (though the shop may try to make you take a credit note you are entitled to a cash refund if that is what you want). Similarly a garment, even if a "second," which bears a label saying that it is fully washable and subsequently proves not to be, *can and should be taken back.*

Among the things I would recommend to those who have the money and the stamina for the sales are anything in the luxury line that they have their eye on —pieces of jewellery, imported high fashion wear, leather and suede are all likely to rise very considerably in the coming year.

Duckdown has increased by 50 per cent. over the past year so linen buyers are expecting continental quilts to rise dramatically in price in the near future.

Much of the linen to be found in sales is seconds. The faults are usually slight — a fault in the weaving, a loop that has been pulled when coming off the machine, or an edge not hemmed. But remember to check for yourself what the precise fault is. Similarly check sizes — sheets or towels that come up slightly larger or slightly smaller than normal are marked as seconds and the size should be marked on them — but do check.

On the rest of the page we have tried to give a good overall idea of what is happening in the sales this year. We have, perforce, to limit it mainly to London (though, wherever possible, we've given out of London details) but local papers usually carry full information on the sales in their area.

We haven't been able to say when each sale ends as so much depends on how stocks last. Several shops report that even holding a sale will be difficult as shoppers were buying up their entire stock before Christmas. The moral of this is, do check, by telephone if possible, before embarking on a journey. We have checked everything we possibly can but we cannot be sure of how long stocks will last or of how many of a given item will go into a given shop.

I've long lusted after a classic Burberry trenchcoat and the sales will be a good opportunity to buy one at a reduced price. Normally, they sell at from £79 but in the sale they will be reduced to from £55 (the "from" meaning that the exact price depends on the style). Unfortunately the Burberry hat and scarf are unlikely to be in the sale as they have been selling so fast that there are very few left. Most branches of Burberry, including the Haymarket and Regent Street branches will have the trenchcoats.

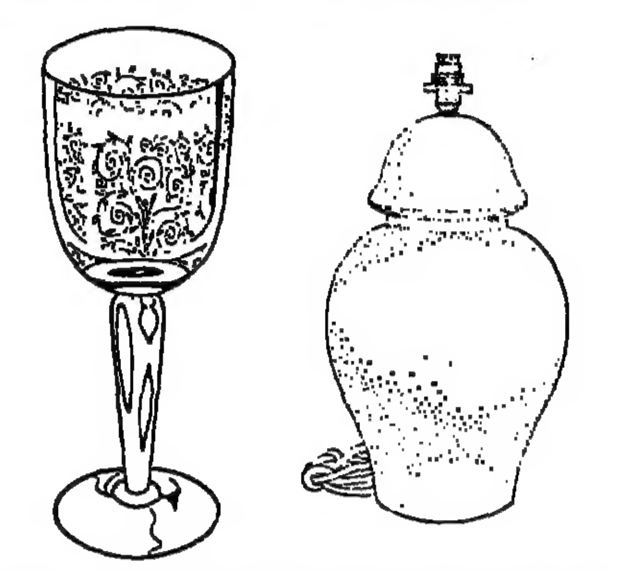
Jaeger classic clothes are always a good sales buy though whether you can find exactly what you want in the right size and colour is always open to chance.

This year there are some very nicely cut lined jersey blazers in the sale (photographed far left), reduced from £35 to £20. In sizes 6 to 14 they come in blue, green, rust or light brown. There are also some good lined skirts reduced from £18 to £12. In sizes 8 to 14 they come in blue, green and coral.

The man in our photograph is wearing a brown velvet suit which seems a particularly good buy. Reduced from £89 to £65 *the suits come in dark blue, black, grey and bottle, as well as* brown, in sizes 36 inches to 44 inches. However, Jaeger cannot guarantee that all sizes will come in all colours, nor can they be sure which colours and sizes will be in which branches but most men's branches should have a reasonable selection. In particular Regent Street should have a good number of beige velvet suits.

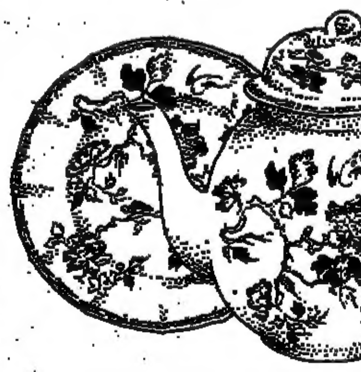
Picture by Trevor Humphries

Luggage seems to go up in price all the time and a really good piece is now an expensive item. The sales offer the perfect opportunity to replenish if your own luggage is looking as if it's seen too many conveyor belts. Liberty's of Regent Street has a very good selection of suitcases of all sorts in the sale but I particularly like this Molmax range of black nylon corduroy trimmed with leather. This size is 30 inches by 16 inches and is 8¼ inches deep—it has been reduced from £48 to £33.95 and there are three smaller matching cases.



Casa Pupo will be having sales at all three branches—56-60 Pimlico Road, London, SW1, 17 Sloane Street, London, SW1 and at 8 Brighton Place, Brighton. They are good shops to look out for rugs and glass—this Portuguese wine goblet is decorated with very delicate engraving and is reduced from £1.70 to 65p. Also from Casa Pupo is this plain-white glazed pottery lamp-base from Italy. It's about 12 inches high and is reduced from £15.50 to £9.95.

Harvey Nichols of Knightsbridge, London SW1 will have a big *selection of Ketch designs in the sale. Nice padded jackets* reduced from £32 to about £22 and this very up-to-the-minute warm checked shirt with drawstring waist and sleeves. Reduced from £13 to £9, it is available in a whole range of different checks, mainly bright except for a brown/black version and will be in sizes 10 to 16.



China is another good sales time buy and *Wedgwood seconds often have such little* flaws that I for one can hardly detect them —frequently items are rejected just because a flower is a bit out of place or one colour is a little off-key. In Liberty's sale there will *be* a big selection of Wedgwood's Devon Rose pattern which is very soft and pretty with a very pale blueish/greyish background and delicate, rather Chinese flowers. The teapot is reduced from £7.85 to £4.15 and a cup and saucer from £2.45 to £1.30.

Drawings by Sumiko

Already on

Aquascutum Women's Sale, 100 Regent Street, London, W1

The particular bargains here are coats. There are many belted casual tweedy coats up to £30 cheaper, plain wool coats in all colours and sizes, again £30 cheaper than usual.

Army and Navy Stores, all branches

Many ladies' coats and dresses are reduced to half price. There will be a separate linen event beginning on February 19. A and N also have a good selection of reduced white goods.

Austin Reed, all branches

There are reductions on suits, jackets, trousers and topcoats. Examples are £14 off suits, £7 off blazers, £5 off some tweed and *corduroy jackets* and £18 off others. Cashmere polo sweaters are reduced from £25 to £15.95.

Barkers, Kensington High Street, London W8

Barkers has big reductions in all *departments, including* Hanimex MX 800 cinecameras reduced from £215.98 to £98.50 and New Home 691 compact lightweight sewing machines reduced from £158 to £78.95. In the electrical *department, there are reductions* in hostess trolleys, toasters, irons, kettles and fires.

Bourne and Hollingsworth, Oxford Street, London W1.

There are bargains in each *department, at half price or even* less. Webb Corbett hand-cut crystal sherry glasses £3.30 to £1.65 each, and reductions on electric blankets, some at £6.50.

Debenhams, all branches

There are big reductions *in the* fashion departments; and £10 off all sheepskins. In furniture, there are reductions *of between* 15 and 35 per cent on Program Meredew, Eden, Stonehill and Concorde and *on beds. Debenhams* own kitchens will be reduced by 25 per cent.

D. H. Evans, Oxford Street, London W1.

There are reductions in all departments: coats *from* £14.95, ponchos at £11.50, skirts *from* £2.95. Cashmere knitwear, which when perfect cost £20, slightly imperfect costs £6.95. There is 10 per cent. off all records and *cassettes. 20 inch colour remote-*control TV at £299.

Fenwick, Brent Cross

As well as reductions in fashion —ponchos from £31.50 to £15. 33 per cent. off many Reldan *styles—there is 40 per cent.* off all Dartington seconds and 50 per cent. off Kosta Boda glass seconds.

Habitat, all branches

All the shops will have Bentwood chairs reduced and the Innovator Vivaldi chair will be reduced from £62 to £29.50.

Perrings, all branches

There will be reductions of 30 per cent. off a selection of bunk and divan beds, the Perrings Oscar range of bedroom *furniture*, Oscar wall units and Meredew units; and 15 per cent. off Vivaldi seating units.

Peter Robinson, Oxford Circus, London, W1

Reductions of up to 50 per cent. in all departments. Special bargains such as coats from £5 and pinafores from £2 for early shoppers. Everything in the Super Size Department (42 inch hip upwards) reduced by 50 per cent.

Rackhams, Birmingham.

Best departments for *bargains* are radio, television, electrical, furniture and household linens.

Russell and Bromley, all branches

There are reductions in many sandals, canvas shoes and in some *mid-calf boots.* Each branch has different ranges.

Scotch House, 84 Regent Street, London W1; 60 Princes Street, Edinburgh

In the menswear department cashmere, *in various styles,* is from £15; lambswool £7.50, and Shetland from £6.50 both in various styles and colours; tweed sports jackets are reduced from £39.50 to £19.50. For ladies there *are cashmere pullovers* for £12, cardigans from £15. There is also a special purchase of 2,000 Shetland sweaters for children to fit 22 in-34 in (ages two-14) for £3.50.

Selfridges, Oxford Street, London W1

There are reductions in all *Selfridges'* departments and examples in women's fashions are: knitted suits at £15; Wahls co-ordinates (blouses, skirts and jumpers) £8.95 and £10.95; special purchase of Goray skirts at £6.95; *special purchase* cashmere/wool dressing gowns £28. In household goods some examples are: Thomas 29-piece dinner set £55 to £36.55; 8 track music centre from £139 to £69; large reductions in continental quilts.

Simpsons, Piccadilly, London W1

Considerable reductions in sportswear and equipment as well as men's and women's *fashions and accessories.*

Swan and Edgar, Piccadilly Circus, London, W1

Apart from the usual reductions in current stock, there are also special purchases bought in for the sale, such as Wolsey men's knitwear 100 per cent. acrylic at £3.99; slightly imperfect Windsmoor velvet jackets reduced from £53 to £26.50; and Denby seconds at 30 per cent. *off perfect price.*

Waring and Gillow, 188-196, Regent Street, London, W1

£100 can be saved on many suites and Parker Knoll settees are reduced from £296 to £189; 100 *per cent. wool shag carpeting* down from £9.50 square yard to £5.50 in 11 colours. Chinese carpets, washed Aubusson designs, half price at £406.

Hornes, all branches

The majority of their suits will be reduced by 50 per cent.

Jaeger, all branches

Jaeger sales are particularly good if you like their clothes but go for less than classic *colours—for instance* there's a very nice linen blazer which tones with a knitted skirt in coral pink. It's also a good place for bargains for men.

John Lewis Partnership

All 19 stores will have bargains in china and glass, household linens, furnishing and dressmaking fabrics.

Kendal Milne, Manchester

Single Continental quilts made from pure duckdown will be reduced from £47.50 to £29.00, doubles from £84.00 to £54.50; a 24-piece Thomas china dinner service can be bought for £25 instead of £49.20.

Lawleys, 154 Regent Street, London, W.1

Sub-standard Royal Doulton tableware at 50 per cent. of normal retail price.

Liberty and Co., Regent Street, London W1; King Street, Manchester.

There is 10 *per cent.* off all upholstery and reproduction furniture. Probably the best bargains are in Liberty fabrics: Tana lawn £2.40 to £1.60. Varuna wool £5.75 to £4.

London Bedding Centre, 26-27 Sloane Street, London SW1

An opportunity to snap up top quality beds (several shop soiled beds at half price) and unusual beds like four posters and round beds considerably reduced.

Maples, all branches

Well-known ranges of furniture, such as G-Plan, Stag and Parker Knoll are included. On upholstered furniture such as three-piece suites, you will be able to save upwards of £100. Sleepeezee beds are being sold at a third off the usual price, and Rex orthopaedic divan sets (singles, doubles and 5 feet) are half the normal price.

Moss Bros., Bedford Street, London, WC2, and most other branches

Their range of 100 per cent. worsted suits will be reduced from £79 to £39.50.

New Dimension, all branches

Most branches will be selling their telephone table in white melamine at £12.50 instead of £25, and will be offering a 20 per cent. reduction off made-to-order upholstery in four styles.

William Whiteley Ltd., Queensway, London W2

Although the sale is already on, there are special bargains to be available on January 1, especially in the linen department. *Whiteleys carpet sales always represent* good value and this year there are reductions, sometimes to ½-price, of carpets which have a slight design defect. For instance, there is a 10 ft. 6 ins. x 12 ft. Axminster reduced from £168 to £42.

Starting to-day

Woolworths, all branches

There will be reductions in irons, toasters, kettles and, in particular, in lawn mowers.

1st January

C & A, Brent Cross branch only

See C & A all branches (3rd January)

Heal's, 196 Tottenham Court Road, London, W.1; Guildford; Dunn's of Bromley

Enthusiastic bargain hunters will *find* plenty of opportunities, especially in Heal's own brand merchandise: their hand-made bedding will be sold at up to 25 per cent. off; goose feather and down duvets less 25 per cent.; *Heal's printed cotton fabrics* (slight seconds) will sell for £1 a metre. Special purchases include wall units, oven-to-tableware (seconds, reduced by 30 per cent.) and enamelled steel cookware from Finland.

3rd January

C & A, all branches (except Brent Cross)

Bargains in all departments, especially menswear. Also *special purchase* of slacks, skirts and ski jackets for children.

Fenwick, New Bond Street, London W1

Many items reduced by over 50 per cent. such as Italian sweaters *down from* £13.50 to £6, cord culottes from £8.50 to £4, and polo dresses from £8.50 to £4.

4th January

Gieves and Hawkes, 1 Savile Row, *London W.1*

Big reductions in overcoats. D'Avenza coats, for instance, are reduced from £95 to £45. Some Chester Barrie suits are reduced by over half—£150 to £70; Ackerman International suits from £85 to £55. Perhaps your best bargain would be a pure silk jacket, reduced from £85 to £35.

5th January

Scotch House, 2 Brompton Road, London S.W.3

See Regent Street. (Already on.)

6th January

Bentalls, Kingston upon Thames; Ealing; Worthing; Bracknell; Tunbridge Wells

Bentalls now offer Astraka coats at one-third off. This brings a fake beaver coat down *from £65 to £43.* They also offer 4-Seasons rainwear—a special purchase—at £16.50. Also many bargains for the home such as Slumberland divans (4 feet 6 inches) for £99.50 and Monarch three-piece suites in Dralon velvet for £259.

Burberrys, Regent Street, London, W.1; Haymarket, London, W1.

There will be a good selection of slightly imperfect raincoats. Prices vary from £36 to £55. Printed silk ties from £3 (were £6), cotton shirts, pure cashmere V-neck sweaters at £18.

Civil Service Stores, Strand, London, W.C.2.

Especially good for lightweight luggage.

Lucienne Phillips, 89 Knightsbridge, London SW1

There will be reductions of 10 per cent. on all current collections and 50 per cent. off woollen suits and three-piece outfits. For the first few shoppers in the queue there will be four special "give-away bargains" by Jean Muir.

7th January

Wallis, Brent Cross and London suburban stores

Up to 75 per cent. of existing stock will be included in the sale, some reduced to half price.

8th January

Casa Pupo, 17 Sloane Street, London SW1; 56-60 Pimlico Road, London SW1; 8 Brighton Place, Brighton

Apart from reductions in glassware and pottery, Casa Pupo will be reducing by half all rugs and bedcovers in the Zamora range.

Harrods, Knightsbridge, London SW1

The bargains at Harrods are too splendid and numerous to list and one would have to keep the store open for an evening, like Sheikh Yamani, to see half of them. Bulova Accutron ladies' and men's watches are at *half-price. Harrods superb fur* collection is reduced by 15 per cent. to 50 per cent., and Way-In Living have a special purchase of Scandinavian upholstery—three-seater sofas in brown check £99 *reduced to £49,* plus easy chairs to match at £15.

Harvey Nichols, Knightsbridge, London, S.W.1.

Half-price bargains throughout in fur coats, dresses, separates, knitwear and in sheets, towels, oriental carpets and rugs.

Laura Ashley, all branches

End-of-line wallpaper designs at about 40-50p a roll; end-of-line fabrics will be reduced by 35 per cent.

Lillywhites, Piccadilly Circus, London, W.1.

Plenty of ski and tennis clothing *half price*, and sports equipment—a set of Campbell clubs (three woods, eight irons) half price at £53.50.

Wallis, 96, Kings Road, London, S.W.3; 9, Brompton Road, London, S.W.3.

See Brent Cross (7th January).

The Reject Shop, 245-9, Brompton Road, London, S.W.3; 209, Tottenham Court Road, London, W.1; 62, East Street, Brighton.

Bargains in cane furniture; cast iron saucepans and casseroles (reduced by 25 per cent.), glassware, and white bentwood chairs —reduced from £15.50 to £9.99.

10th January

Sanderson of Berners Street, London. W1

5,000 rolls of vinyl wallpaper reduced from £4 to £1.75; linen unions at £2.50; 100 per cent. cotton at £1.75 (from £2.89). 50 per cent. savings in lighting department.

12th January

Aquascutum Men's Sale, 100, Regent Street, London, W.1.

Cashmere overcoats down from £210 to £155, corduroy jackets from £39.50 to £19.75, dinner suits from £125 to £69.50, leather coats and silk ties.

Wallis, 217, 272 and 490, Oxford Street, W.1.

See Brent Cross.

Property

WELL, THERE we were in early 1973 watching the housing market still spinning away furiously when suddenly the roof started to fall in. It was thought by some at the time to be a temporary phenomenon since under the natural order—nay, even the divine order of things, house prices must continue to rise. It took an awful long time to cave in and the process is even now not yet complete despite some hefty demolition work by HM Government during 1976; 1977 should see the work finished.

Despite the ravages the basement has been holding up quite well until recently. This consists of the market in the lower price range, both second hand and new. Price rises have been modest in the past year but for the future the new house market—on which the whole market structure depends—gives cause for concern. It is vividly illustrated in a recent statement by the House Builders Federation. They said that: "The prospects for private housing output in 1977 are, quite frankly, abysmal. It now looks likely that we could well fail to reach the 160,000 starts predicted for this year compared with last year's total of 148,000. Certainly earlier predictions of around 150,000 starts are having to be drastically revised as far as 1977 is concerned."

This is a serious situation but it is difficult to see how it will affect the market in these unusual times. Normally in times of shortage of any commodity the usual reaction is for the price of that commodity to rise: but that is unlikely in the 1977 housing market: the money is just not there to sustain a price rise. Combined with the news from the house builders and the comments from the agents the outlook for next year looks pretty gloomy. But buyers with ready cash and determination should be pleased.

The mood is nicely caught by the latest survey on the state of the market by the Incorporated Society of Valuers and Auctioneers:

"In a generally gloomy year for the housing market, the 'last straw' was the increased Minimum Lending Rate and higher interest on mortgage loans.

"The immediate effect on the movement of domestic property has been 'dramatic' according to some estate agents, with buyers withdrawing on the point of signing contracts."

There is an interesting comment from Jackson and Jackson of Lymington on the subject of valuations and the hint that the optimists will once again be wrong in 1977.

All things in moderation

BY JOE RENNISON

"Valuations never prove easy and 1976 has been no exception. There was a time during the height of the summer when Vendors were beginning to feel that the property market was on the move again, and that higher prices could be asked, but there has been little evidence to support this, and we still feel it could be some while before we shall see any significant change in the pattern of property prices, except where new houses are concerned and building costs force developers to ask higher prices for their houses."

Even the moderately priced and easy-going Isle of Wight seems to be feeling the pinch. Creasy and Jeffery sum it up well.

"Moderation in all things" in many ways sums up the property scene during 1976. There were no apparent excesses in any direction, and looking back one sees a reasonably satisfactory flow of properties brought on to the market for sale and a similar steady demand for all types of properties in almost all areas of the Isle of Wight.

During the early summer through to October keen demand was shown. Bad weather coupled with and probably due more to the increased mortgage interest and bank rates, had a salutary effect on sales over the last few weeks of the year. Genuine applicants are still in evidence, but a number of potential purchasers, moving for less essential reasons, reconsidered their requirements.

The firm's variation on the "right price" theme is: So much depends upon the correct pricing of the property and it is those that have been keenly priced and carefully marketed which have sold. A number of properties priced in excess of what could reasonably be anticipated failed to sell and remained unsold, either until the price was reduced, or ultimately a lower offer was accepted. The general custom whereby asking prices of properties are consciously fixed at figures in excess of the price which is anticipated is not, and has not, proved to be beneficial.

The Hertforshire agents, Sworder, also report that 1976 has been another difficult year. In their experience the residential market has fluctuated considerably and many houses have been very difficult to sell. There have been relatively fewer properties coming on to the market than in 1975, probably because many prospective vendors have found it increasingly difficult to obtain mortgage funds for their own purchases and have therefore been unwilling or unable to afford to move. Equally there appear to have been less prospective purchasers, no doubt for similar reasons. As a result the number of sales completed has been appreciably fewer than last year and the level of increase of residential property values has been significantly restrained.

In the early spring of 1976 there were sufficient buyers to provide a reasonably balanced market and most properties coming on to the market at or close to fair-asking figures were selling quite readily. At that time mortgages were easier to obtain than they have been at the end of the year and sales were proceeding to reasonably swift completions. This applied to most levels of the market with the possible exclusion of large country houses with land as there was still a marked reluctance for purchasers to take on the high clost of maintenance for these larger properties.

The situation in Scotland, which, because of generally lower prices, seems always to be rosier, is becoming desperate. Kenneth Ryden and Partners of Edinburgh see it as follows:

The overall increase in house prices of 15 per cent. to 20 per cent. achieved during the first part of the year has been significantly eroded resulting in a net gain of approximately 5 per cent. to 10 per cent. on average. At the present time the market is extremely sluggish, with a 50 per cent. increase in the number of houses for sale when compared with May 1976. The cause can be directly attributed to scarcity of building society finance, and the recent increase in investment rates has not yet attracted sufficient funds to improve the situation. We feel that the market will deteriorate further before any improvement is seen.

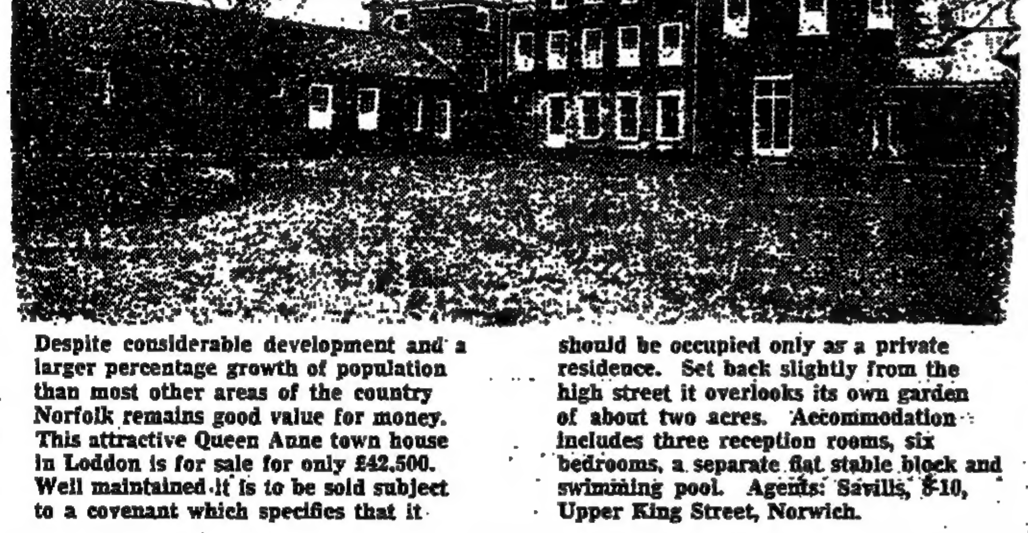
Wide publicity has been given to the general dissatisfaction over the unique system of offering for a house in Scotland. The fact that criticism is only relevant in a firm seller's market is currently demonstrated by the wide selection of houses available, for which there is no competition. An interesting development has been the growing use of the fixed price in order to attract purchasers.

In summary the following trends stand out:—

1. The year has seen a rise and fall in the fortunes of the market with in most cases at less than 10 per cent. increase.
2. There has been an increase in activity by small developers for converting or sub-dividing town houses into quality flats.
3. The sector of the market which Government has been committed to help most that is the first time buyers, etc., is now under severe pressure through mortgage shortage, whereas purchasers with capital are turning more to home ownership as an investment.
4. There is very little activity as the year ends, but the exceptional properties will always find a buyer.

The only bright spot in the market—as least for those who are selling—is the continued increase in agricultural land values. The situation is summed up by the Lincolnshire agents William H. Brown and Son.

They found that in 1976 they have seen a steady and continuing rise in land prices, which taken over the whole country have outstripped, in the main, prices achieved in the boom of 1972-73. There are, however, rational reasons for the upsurge in 1976 prices compared to the situation in 1972-73. Firstly, certain sectors of the industry are prospering well and the price of land is being related to its earning capacity whether it be for wheat, grass, potatoes or vegetables. Secondly, there has been a reassertion of land's traditional role as a hedge against inflation and in fact in 1975 there was a time when land was becoming too cheap. Thirdly, a year or so ago potential threats held by Capital Transfer Tax and Wealth Tax were being considered. The severity of CTT has been eased with 50 per cent. relief to working farmers and those buying land can now see a return to a more normal pattern with good growth prospects.



Despite considerable development and a larger percentage growth of population than most other areas of the country Norfolk remains good value for money. This attractive Queen Anne town house in Loddon is for sale for only £42,500. Well maintained it is to be sold subject to a covenant which specifies that it should be occupied only as a private residence. Set back slightly from the high street it overlooks its own garden of about two acres. Accommodation includes three reception rooms, six bedrooms, a separate flat stable block and swimming pool. Agents: Savills, 8-10, Upper King Street, Norwich.

Collecting

Medical history

BY JUNE FIELD

ANYTHING remotely to do with the healing arts, whether from chemist's shop or doctor's box, is now in demand. To the squeamish one can only quote Queen Victoria. When visiting the soldiers returned from the Crimean War she insisted on listening to the details of their wounds and operations, remarking that if they were brave enough to undergo these sufferings then she must be brave enough to hear of them.

The history of medical and surgical instruments is virtually uncharted. For the collector the most rewarding period is that from the early 18th century up to 1870, with Lister's introduction of antisepsis in 1867, and the eventual acceptance of sterilisation for all instruments, they necessarily became plainer and less interesting, with such decorative materials as ivory, wood and tortoiseshell precluded from use. The shape of medical instruments has not changed much since the Middle Ages, and it is interesting to note how early the right instruments were used for an operation.

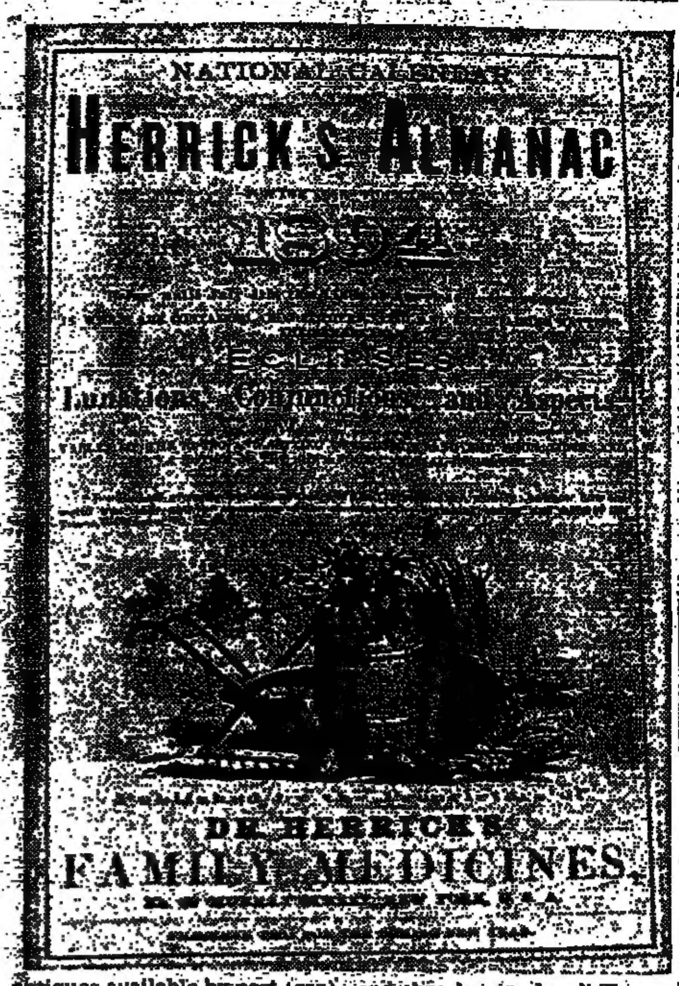
A remarkable exhibition "Antique Medical Instruments" held recently at Simon Kaye, 1½ Albemarle Street, W.1, was almost a sell-out and revealed the enormous range used in George III and Victoria's time. As well as the high-medical pieces such as saws, trephines, knives, lances and forceps, the display also included such functional items as an 1865 plated ear trumpet, false teeth carved from ivory, c.1820, a Middle Eastern body scratcher and a Victorian demonstration model of a heart. The list is long and the scholarly illustrated catalogue edited by the organiser Elisabeth Bennion (£1 post free) worth having—some items are still for sale.

Christopher Sykes shop, 11 Market Place, Woburn, currently has a fine medicine cabinet complete with fittings, a *homeopathic* chest containing 18 original lipped and labelled bottles, scales and brass weights, and various pill-making slabs and rollers, mortar and pestles, silver tongue depressors and a medical steam-inhaling kettle with original tin wick lamp. Current list of these and general antiques available by post (sae).

For research the Wellcome Institute for the History of Medicine, 183 Euston Road, N.W.1, is indispensable. Dr. Brian Bracegirdle was recently appointed Keeper and the collection will eventually transfer to the Science Museum. For general reading matter Leslie G. Matthews' *Antiques Of The Pharmacy* (Bell 1971) is *de rigueur* for the layman. For the more academic, Jenner, Church Enstone, Oxford, specialises in catalogues by post of old and rare medical books, which include highly technical works on everything from gout to measles, to a unique collection of hand-written day-books, 21 volumes, from a Victorian country practice covering over half-a-century, plus various publications on quackery.

Quack medicine, the term derived from quacksalver, one who sold his salves by quacking, that is noisy patter, is still relatively unexplored. "The advertising quack who wearies with tales of countless cures," sang Gilbert and Sullivan's Mikado. In 1748 the *Gentleman's Magazine* listed some 202 nostrums (patent remedies), and empirics (those who administered them), many going by the name of doctor whether qualified or self-entitled. In vast numbers were leaflets and brochures, handbills and advertisements publicising the wares of quacks from the Continent, many describing themselves as High German Doctors. Their claims placed great reliance "upon God's help," in curing disease, *if curable*, a good let-out if the remedies did not work!

Almanacs, those tables of days, weeks and months to which astronomical data and "other matters both curious and profitable" were added is another collecting category. The quote is from the 1776 edition of Old More's Almanac, published by Foulsham's under the original copyright of 1697, and still going strong. Francis Moore (1675-1715) was a physician, astrologer and schoolmaster who published an almanac containing weather predictions in order to promote the sale of his pills. An American Almanac for 1894 was published by the proprietors of Dr. Herrick's Family Medicines—"A colder month (January) is not known, nor one more fraught with ills, yet none of these things need be feared while taking Herrick's Pills." I bought the one illustrated, together with an empty medicine bottle, from the American Folk Art Gallery in Sloane Avenue, for £3.



New Year honours for business and the arts

Sir Robert Mark (GBE)

Danny McGarvey (Knight)

Alexander Page (Knight)

James Woodeson (Knight)

Clifford Curzon (Knight)

Norman Hartnell (KCVO)

Havelock Hudson (Knight)

Kenneth Bond (Knight)

John Rix (Knight)

Edward Short (Baron)

BUSINESS, politics, the Civil Service and the arts again feature prominently in the New Year Honours, in which recognition is also accorded to science, medicine, the environment, voluntary service and sport.

Five Life Peers are named, 10 Privy Councillors (including five taken from the Commonwealth list) and 29 Knights Bachelor and one Companion of Honour appointed.

The following selection includes names of special interest to the business world.

LIFE PEERS

BARONS

Professor Sir John Fleetwood Baker, formerly Professor of Mechanical Sciences and Head of Department of Engineering, University of Cambridge.

Mr. Arthur Brian Deane Faulkner, former Prime Minister of Northern Ireland and former Chief Executive Member of the Northern Ireland Executive.

Sir Morrice James, formerly British High Commissioner in Australia.

Mr. Edward Watson Short, chairman of Cable and Wireless. Lately Lord President of the Council. Formerly MP for Newcastle-upon-Tyne Central.

Mr. George Morgan Thomson, member, Commission of the European Communities. Formerly MP for Dundee East.

PRIVY COUNCILLORS

Mr. Jesse Dickson Mabon, Minister of State, Department of Energy. MP for Greenock and Port Glasgow.

Mr. Robert Edward Sheldon, Financial Secretary, Treasury. MP for Ashton-under-Lyne.

Mr. David Martin Scott Steel, Leader of the Liberal Party. MP for Roxburgh, Selkirk and Peebles.

Mr. Donald James Stewart, Leader, Parliamentary Scottish National Party. MP for the Western Isles.

Mr. Alan John Williams, Minister of State, Department of Industry. MP for Swansea West.

Mr. John Michael Geoffrey Manningham Adams, Prime Minister of Barbados.

Mr. Eric Matthew Gairy, Prime Minister of Grenada and Minister for External Affairs.

Sir John Robert Kerr, Governor-General of Australia.

Mr. Michael Thomas Somare, Prime Minister of Papua New Guinea.

Mr. Brian Edward Talboys, Deputy Prime Minister and Minister of Foreign Affairs, Minister of Overseas Trade and Minister of National Development, New Zealand.

KNIGHTS

Mr. Donald Arthur Rolleston Albery, chairman and managing director, Wyndham Theatres. For services to the theatre.

Professor James Baddiley, director, Microbiological Chemistry Research Laboratory, University of Newcastle upon Tyne.

Mr. Kenneth Raymond Boyden Bond, deputy managing director, General Electric Company. For services to export.

Mr. Robert Camm Booth, chairman, National Exhibition Centre. For services to export.

Professor John Charnley, lately Professor of Orthopaedic Surgery, University of Manchester.

Professor John Warcup Cornforth, Royal Society Research Professor, University of Sussex.

Mr. Clifford Michael Curzon, pianist.

Professor Kenneth James Dover, Professor of Greek, University of St. Andrews. For services to Greek scholarship.

Professor David Gwynne Evans, lately director, National Institute for Biological Standards and Control.

Dr. Frank Hartley, Dean of School of Pharmacy, University of London. For services to pharmacy.

Mr. Christopher Thomas Higgins, chairman, Peterborough Development Corporation.

Mr. Harold Hobson, lately drama critic, the Sunday Times.

Mr. Henry George Huckle, chairman, Agricultural Training Board.

Mr. Havelock Henry Trevor Hudson, chairman of Lloyd's. For services to export.

Mr. Howard Leslie Kirkley, chairman, Governing Board, International Council of Voluntary Agencies. For services to overseas aid.

Professor Heinrich (Heinz) Koeppler, Warden of Wilton Park and Warden of the European Discussion Centre.

Mr. Daniel McGarvey, president, Amalgamated Society of Boilermakers. For services to the trade union movement.

Mr. Leonard William Francis Millis, director and president, British Waterworks Association. For services to the water industry.

Mr. Alexander Warren Page, chairman and chief executive, Metal Box.

Dr. Herbert Charles Pereira, chief scientist, Ministry of Agriculture, Fisheries and Food.

Dr. John Revans, lately regional medical officer, Wessex Regional Health Authority.

Mr. John Rix, managing director, Vosper Thornycroft and Co. For services to export.

Mr. Denis Eric Rooke, chairman, British Gas Corporation.

Brigadier Noel Edward Vivian Short, secretary to the Speaker, House of Commons.

Professor James Eric Smith, secretary Marine Biological Association of the U.K. For services to marine biology.

Mr. William Tweddle, chairman, Yorkshire Regional Health Authority.

Colonel George Anthony Wharton, vice-chairman, Council of Territorial Auxiliary and Volunteer Reserve Associations.

Mr. James Brewis Woodeson, chairman, Clarke Chapman, and chairman, Reyrolle Parsons. For services to export.

Professor Edward Maitland Wright, lately Principal and Vice-Chancellor, University of Aberdeen.

COMPANION OF HONOUR

Mr. Cledwyn Hughes, M.P. for Anglesey, and chairman, Parliamentary Labour Party. For public services in Wales.

ORDER OF THE BATH

KCB

Mr. Edward Clifford Cornford, chief executive procurement executive, Ministry of Defence.

Mr. George Roy Downam, Second Permanent Secretary, Cabinet Office.

Mr. Basil Brodribb Hall, H.M. Procurator General and Treasury Solicitor.

Mr. John Edward Herbecq, Second Permanent Secretary, Civil Service Department.

CB

Mr. Francis William Armstrong, Deputy Secretary, Ministry of Defence.

Mr. Alexander Shelley Baker, Under-Secretary, Home Office.

Mr. Robert Edward Ball, Chief Master, Supreme Court of Judicature (Chancery Division).

Mr. Cyril Leonard Bourton, Deputy Secretary, Department of Health and Social Security.

Mr. Philip Anthony Russell Brown, Deputy Secretary, Department of Trade.

Mr. John Patrick Carswell, secretary, University Grants Committee.

Mr. James Brownlee Dick, director, Building Research Establishment, Department of the Environment.

Mr. Mereth Cecil Fessey, Under-Secretary, Department of Industry.

Mr. Harold Glover, controller, H.M. Stationery Office.

Mr. Roland James Lees, director, Royal Signals and Radar Establishment, Ministry of Defence.

Mr. Owen Humphrey Morris, Deputy Secretary, Welsh Office.

Mr. Kenneth Alexander George Murray, Under-Secretary, Civil Service Department.

Mr. Marcel Ivan Prevett, chief valuer, Board of Inland Revenue.

Mr. Richard Lyall Sharp, Under-Secretary, Treasury.

Mr. Ronald Alfred Dingwall-Smith, Under-Secretary, Scottish Office.

Mr. John Arthur Fownes Somerville, Foreign and Commonwealth Office.

Mrs. Joyce Tookey, Under-Secretary, Department of the Environment.

Mr. Dudley Russell Flower Turner, secretary, Advisory, Conciliation and Arbitration Service.

Mr. Douglas Williams, Deputy Secretary, Ministry of Overseas Development.

ORDER OF ST. MICHAEL AND ST. GEORGE

CMG

Mr. George Christopher Buchanan Dodds, lately Under-Secretary, Ministry of Defence.

Dr. Leonard George Goodwin, director Nuffield Institute of Comparative Medicine, Zoological Society of London. For services to the study of tropical diseases.

Mr. Angus Macqueen, chairman, British Bank of the Middle East.

Mr. William Kenneth Ward, Under-Secretary, Department of Trade.

ROYAL VICTORIAN ORDER

KCVO

Mr. Norman Bishop Hartnell, dressmaker to the Queen and the Queen Mother.

Baron Havter of Chislehurst, chairman, Management Committee, King Edward's Hospital Fund for London.

CVO

Captain Alastair Sturgis Aird, comptroller to the Queen Mother.

ORDER OF THE BRITISH EMPIRE

GBE

Sir Robert Mark, Commissioner of Police of the Metropolis.

DBE

Miss Geraldine Maitland Aves, founder member, Governing Body, Volunteer Centre. For services to the Centre.

KBE

Sir Edward John Bunting, High Commissioner for Australia in London.

Mr. Alick Benson McKay, deputy-chairman, News International.

Mr. Peter George Arthur Wakefield, HM Ambassador, Beirut.

CBE

Mr. N. S. Bailey, singer.

Mr. D. S. Barnes, managing director, Sperry Gyroscope.

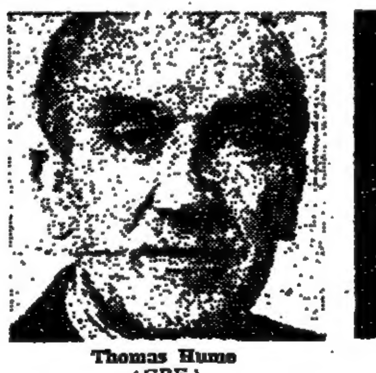
Mr. G. Boyd, chairman, Scottish Opera Theatre Royal.

Mr. L. B. Boyle, a director and general manager, Principality Building Society.

Professor F. R. Bradbury, Professor of Industrial Science, University of Stirling.

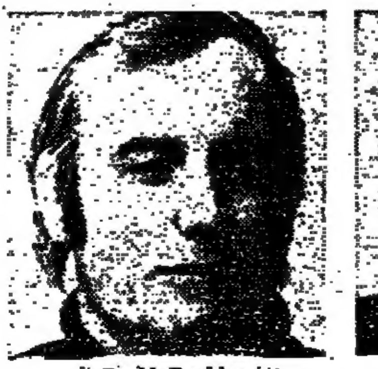
Mr. A. L. Burton, chairman, Furniture and Timber Industry Training Board.

Mr. T. A. Casey, general secretary, National Association of Schoolmasters.

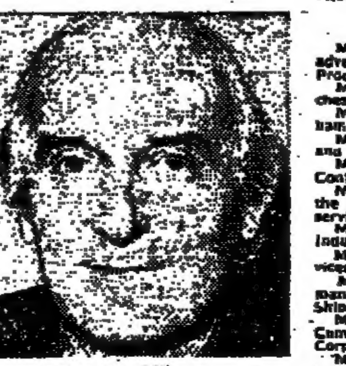


Thomas Hume (CBE)

Frankie Howerd (OBE)



David Duckham (MBE)



Donald Albery (Knight)

Mr. L. J. Clark, lately president, International Gas Union.

Mr. D. G. Dodds, chairman, Merseyside and North Wales Electricity Board.

Mr. D. M. Doig, senior partner, D. M. Doig and Smith.

Mr. G. K. Duddridge, lately director of Submarine Systems Division, Standard Telephones and Cables. For services to export.

Group Captain H. E. L. Dundas, managing director, British Electric Traction.

Mr. P. T. Dunican, senior partner, Ove Arup Partnership.

Mr. J. C. H. Ellis, senior partner, Mewburn Ellis and Co.

Mr. F. A. J. E. Everard, chairman, F. T. Everard and Sons.

Mr. H. L. Farrimond, lately member, British Railways Board.

Mr. A. Goldstein, senior partner, R. Travers Morgan and Partners.

Mr. W. R. Gowers, chairman, Oxfordshire Area Health Authority.

Mr. D. R. W. Greenslade. For services to the Press Council.

Mrs. M. A. Glen Haig, chairman, Central Council of Physical Recreation.

Mr. J. S. Hilbert, deputy chairman and managing director, Associated British Machine Tool Makers. For services to export.

Mr. L. A. Harrison, chief executive officer, Greater Nottingham Co-operative Society.

Mr. E. H. Hawkins. For services to the Lawn Tennis Association.

Mr. J. R. Hendin, assistant managing director, Vickers. For services to export.

Mr. Patrick Heron, painter.

Mr. B. Hildrew, technical director, Lloyd's Register of Shipping.

Mr. J. M. Houlder, chairman, Houlder Offshore.

Mr. T. A. Hume, Director, Museum of London.

Professor H. S. Hunt. For services to drama.

Mr. J. F. B. Jackson, managing director, APV Paramount.

Judge J. M. G. Griffith-Jones, The Common Serjeant, City of London.

Mr. H. M. Joseph, commercial director, Lyons Bakery. For services to the food industry.

Mr. A. W. G. Kean, secretary and legal adviser, Civil Aviation Authority.

Mr. R. J. Knight, director of engineering, Jaguar, British Leyland U.K.

Mr. A. J. W. S. Leonard, group treasurer, Royal Dutch/Shell Group.

Miss Elisabeth Maconchy (Mrs. Le Fanu), Composer.

Mr. G. E. H. Mansell, managing director, external broadcasting, BBC.

Mr. T. N. Marsham, acting managing director and director, technical operations, reactor group, U.K. Atomic Energy Authority.

Mr. J. C. Maybank, chairman, Maybank Enterprises.

Mr. P. S. J. Noble, a director, Christopher and Co. For services to the wine trade.

Mr. M. R. Norman. For services to the National Trust.

Mr. J. G. Parkes, chairman, Merseyside Committee, Unilever.

Mr. J. Patrick, vice-president, Europe, Cummins Engine Company. For services to export.

Mr. J. F. Phillips. For services to Business Education.

Mr. R. J. Ramsey, director, industrial relations, Ford Motor Company.

Mr. J. E. Ridsdale, Conservative MP for Harwich. For services to the furtherance of Anglo-Japanese friendship.

Mr. R. W. Rosevears, managing director, policy co-ordination, and secretary, British Steel Corporation.

Mr. E. Smith. For services to the building industry.

Mr. R. H. Thorpe, deputy chairman and managing director, Anderson Strathclyde. For services to export.

Mr. R. E. Utiger, managing director, British Aluminium.

Mr. S. Wild, a director and deputy chief executive, National Westminster Bank. For services to the British Bankers Association.

OBE

Mr. W. J. Ambrose, lately director of advertising and trade relations, Beecham Products.

Mr. D. W. Anderton. For services to chess.

Mr. T. Armstrong, a director, Wolsingham Steel Company.

Mr. D. L. R. Auton, chairman, Young and Rubicam.

Mr. N. M. Baldwin, chairman, Speedway Control Board.

Mr. H. O. Barrett, director general, the Machine Tool Trades Association. For services to export.

Mr. J. Britton, chairman, Savage Industries.

Miss June Bronhill, soprano. For services to the performing arts.

Mr. F. W. Brooks, chairman and managing director, A. A. Jones and Shipman. For services to export.

Mr. E. W. Cameron, deputy chairman, Cumbernauld New Town Development Corporation.

Mr. H. H. Cavan, president, Irish Football Association.

Mr. S. Chaplin, lately chairman, Northern Arts Literature Panel.

Miss U. E. Chesterton, architect and planning consultant.

Mr. R. V. Cole, lately group services controller, British Road Services, National Freight Corporation.

Mr. R. J. P. Cowan, senior partner, Cowan and Linn.

Mr. S. W. Craigie, chief project engineer, armaments, M. L. Aviation Company. For services to export.

Mr. R. H. Cummings, chairman and senior managing director, Robertson Research International.

Mr. G. R. Davies, director, the Booksellers Association of Great Britain and Ireland.

Mr. J. W. Davies, chairman, British Cinematograph Theatres. For services to the Cinematograph Films Council.

Captain G. E. Downs, managing director and deputy chairman, Wilson Walton Engineering.

Mr. F. F. Doyle, chairman, research division, Beecham Pharmaceuticals.

Mr. W. A. Dutton, director of research, Hosiery and Allied Trades Research Association.

Mr. T. R. Edwards, principal, Welsh College of Music and Drama.

Mr. D. B. Ercolani, joint managing director, Furniture Industries. For services to export.

Mr. J. W. R. Evans, deputy chairman, North Western Electricity Board.

Mr. N. K. Evans, marketing director, Platt Saco Lowell. For services to export.

Mr. A. R. Franks, director, Trebor (Overseas). For services to export.

Mr. V. A. Gardiner, director and general manager, London Weekend Television.

Mr. L. C. Gerati, secretary and chief accountant, Royal Opera House, Covent Garden.

Mr. W. E. Hobbs, divisional manager, Marconi-Elliott Avionics Systems.

Mr. K. H. Holding, industrial editor, Eastern Counties Newspapers.

Mr. A. V. R. Hooker, director, W. S. Atkins and Partners.

Mr. Frankie Howerd, Entertainer.

Mr. D. Hughes, a director, Whitechapel Bell Foundry.

Mr. L. Humphries, national president, Fire Brigades Union.

Mr. A. A. H. Hunt, consultant, Bristol Engine Group, Rolls-Royce (1971).

Mr. W. L. Hutchinson, general secretary, Northern Clubs Federation Brewery. For services to co-operative brewing.

Mr. R. Hatt, company chief inspector, Yorkshire Imperial Metals.

Mr. G. G. Jackson. For services to the Scottish fishing industry.

Mr. W. Jackson, lately director operations, general steels division, British Steel Corporation.

Mr. J. M. Jones, chairman and managing director, General Site Services Group. For services to the construction industry.

Mr. C. L. Kempson, lately general secretary, Barclays Group Staff Association.

Mr. E. A. Lainson, chairman, Premier Travel Group.

Mr. J. V. Leigh, director general, Asphalt and Coated Macadam Association.

Mr. D. F. Lewis, secretary and registrar, the Pharmaceutical Society of Great Britain.

Mr. W. G. Lewis, chairman, South Wales Regional Committee, Variety Club of Great Britain.

Mr. S. Longson, president and chairman, Derby County Football Club.

Mr. W. G. N. Miller, executive director, Save and Prosper Group.

Miss P. D. Nuttall, associate director, Medical Division (London), McMillan Journals.

Mr. W. T. Oliver, lately deputy editor, Yorkshire Post.

Mr. P. J. O'Sullivan. For services to horse-racing.

Dr. J. R. Owen, medical adviser, British Olympic Association.

Mr. W. Rizk, managing director, GEC Gas Turbines. For services to export.

Mr. L. R. Sillitoe, general secretary, the Ceramic and Allied Trades Union.

Mr. C. W. Simms, director and chief executive, Dundee and Tayside Chamber of Commerce and Industry. For services to export.

Mrs. Frances Smith. For services to ladies golf.

Mr. A. G. Stone, research manager, John Laing Research and Development.

Mr. R. E. Tapping, a director of London Auction Mart. For services to disabled ex-servicemen.

Mr. A. L. Thomas, chairman, Geevor Tin Mines. For services to mining and technical education in Cornwall.

Mr. S. H. G. Twining, export director, R. Twining and Company. For services to export.

Mr. J. P. Utterson, deputy chairman and managing director, International Aeradio.

Mr. G. M. Warren, sales director, Aveling-Barford. For services to export.

MBE

Mr. M. Beevers, lately area distribution engineer (North), East Midlands Region, British Gas Corporation.

Mr. G. N. Begley, lately liaison officer, Remploy, Scotland.

Mr. N. Bisby, deputy chairman, Yorkshire Area, Transport Users' Consultative Committee.

Mr. A. Brooks, chairman, Northern Regional Educational Savings Committee.

Mr. H. G. W. Bucknell, export director, Multico Company. For services to export.

Mrs. R. J. Burlingham, welfare officer (Ilford region), the Plessey Company.

Mr. W. D. M. Chapman, manager, ground support (Filton), British Aircraft Corporation.

Mr. H. Conlon, area manager (Enniskillen), Northern Ireland Carriers.

Mr. T. W. Cooper, electrical manager and production co-ordinator, Cammell Laird Shipbuilders.

Mr. J. L. Davies, area industrial relations officer, South Wales Area, National Coal Board.

Mr. Edward Doyle, departmental manager, Motherwell Bridge Engineering.

Mr. D. J. Duckham, for services to Rugby football.

Mr. W. L. Furlonger, director, lighting, Thames Television.

Mr. Milton Gardner, senior technical sales engineer, Crofts (Engineers).

Miss E. M. E. P. Gilpin, personal assistant to the president, Confederation of British Industry.

Mr. P. Gray, works manager, British Rail Engineering.

Mr. S. Gray, company engineer, Midlands, British Road Services.

Mr. P. G. Hancock, managing director, Hancock's Shipbuilding Company (Pembroke).

Miss O. M. Harvey, production control manager, Elliott Brothers.

Mr. L. W. Hoare, director of administration and secretary, PIRA.

Mr. W. Hopkins, works manager, Ribble Motor Services, National Bus Company.

Mr. A. F. Horsfield, deputy chief architect, Bracknell Development Corporation.

Mr. T. Kean, group transport controller, Geo. Robertson and Co.

Miss E. M. Lancefield, secretary to the director-general, British Broadcasting Corporation.

Mr. J. N. Laverack, chief engineer officer, Ellerman Lines.

Mr. A. Leeming, treasurer, National Dairymen's Association.

Mr. A. E. J. Lumley, chief fire officer, Atomic Energy Research Establishment, Harwell.

Mr. D. F. Malone, project engineer, aviation division, Dunlop.

Mr. K. R. Morley, editorial consultant, Beckett Newspapers.

Mr. H. E. Newton, managing director, McCarthy.

Mr. O'Brien. For services to yachting.

Mr. M. J. O'Shea, assistant works manager (development), British Aircraft Corporation.

Mr. T. L. Pain, chief coach, Hereford United Football Club.

Mr. P. Pritchard, service manager, Olympus 593, Rolls-Royce (1971).

Mr. L. S. Ravilious, manager, aircraft production, British Aircraft Corporation.

Mr. F. J. Ricketts, sales manager, Prudential Assurance.

Mr. D. J. Rivers, commercial administration manager, Metal Box.

Mr. J. Robinson. For services to Association Football.

Mr. H. Rutter, deputy general manager (deposits), Trustee Savings Bank of Middlesex, Lancashire and Merseyside.

Mr. E. N. Rowlands, company secretary, William Smith and Son (Neocure Works).

Mr. R. Sallon, caricaturist, Daily Mirror.

Mr. Sayer, group construction manager, Vosper Thornycroft.

Major W. R. E. Smallwood, lately director, British Export Houses Association. For services to export.

Mr. R. C. Smith, secretary, Eastern Gas Consumers' Council.

Mr. W. N. Stevens, assistant to the managing director, Rediffon Flight Simulation. For services to export.

Mr. A. Taylor, lately director, British Textile Machinery Association. For services to export.

Mr. C. A. Taylor, managing director, Austin Taylor Electrical.

Mr. R. J. Taylor, sales director, Brintons. For services to export.

Mr. D. F. Thorne, chief development engineer, electronic products, British Aircraft Corporation.

Mr. F. S. Timms. For services to cricket.

Mr. J. Venn, deputy chief designer, Naval Weapons Division, Hawker Siddeley Dynamics.

Mr. M. Wardley, chairman, Clyde River Purification Board.

Mr. R. L. Watts. For services to yachting.

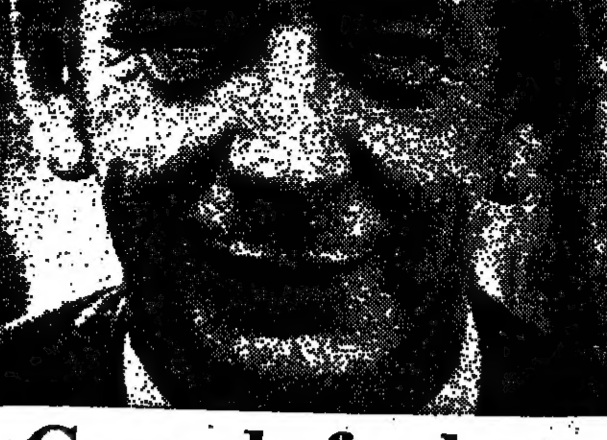
Mr. G. Wood, chief chemist, Wimet.

Mr. Lionel Woodward, chairman, T. E. Woodward Road Haulage.

Mr. W. Wright, chairman and managing director, Birkhead Kid Company. For services to export.

Forecasts 1977

THE VIEWS OF LEADING INDUSTRIALISTS



Grounds for hope

SINCE IT is quite impossible to forecast what *will* happen in 1977, let me say what I *hope* will happen.

1976 was a depressing year. On a number of occasions it looked as though things were beginning to come right and then for one reason or another they didn't. In the spring it looked as though inflation was coming down—and then the pound depreciated rapidly with immediate and devastating effects on the cost of imports. In the summer it looked as though the Government was at last going to cut its expenditure significantly—and then at the last moment its nerve failed and it chose to tax trade and industry instead, a crashing misjudgment which led directly to the crises of these last few months. And then there has been the failure of our exports to grow as fast as we expected, and indeed as fast as our members told us their overseas trade was growing.

★

So my first hope for 1977—and there are some grounds for hope—is that the things that nearly came right in 1976 will do so in 1977. I believe the pound's exchange rate will be more stable in 1977 and that this will be reflected in our rate of inflation in the second half of the year. I hope that our exports will really grow in volume in Export Year, and there is no reason why they shouldn't. Our exchange rate is competitive, we have plenty of capacity and there is likely to be a useful growth in world trade to help us on our way. With North Sea oil beginning to reduce our import bill, there is no reason why our deficit cannot be halved in 1977-78.

★

Next, I hope that in 1977 the Government will continue to cut back on its spending plans. I believe that at the moment this country is demoralised and that the reasons for this demoralisation are twofold: first, I doubt whether many people believe that the Government these last few years has really taken action on the scale that events have quite clearly required—too little and too late is an overkind description; and secondly, I believe that people are demotivated by appallingly high personal taxation and that this is now seriously affecting our industrial performance.

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I hope that 1977 starts a turn round. I hope Government takes its courage in both hands and does what needs to be done, not what it guesses is politically possible. I think it would be surprised at the support it would receive if this spring it started a sustained attack on income tax at all levels matched by further cuts in its own spending. I believe the balance of our taxation system is fundamentally wrong and that until we can build back incentives we are never going to get the enterprise, skill and sheer hard work we need to compete successfully in world markets. The trouble is that cutting public expenditure is seen as negative and creating more unemployment. I see it as something positive, releasing resources which can be better used elsewhere and which will lead to the creation of profitable jobs in the productive sector. In the end this is the only conceivable way we can reduce unemployment. I don't see unemployment coming down in 1977—indeed it could rise; but in 1977 we must build the foundations for genuine expansion in 1978.

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My final hope for 1977 is that whatever the Bullock Committee report the Government won't feel compelled to legislate to impose worker directors on company Boards. Nothing could be more disruptive to our industrial effort; nothing could be more distracting for the Boards of our major companies who provide the bulk of our exports; above all nothing could be more damaging for the real participation and involvement which is now developing at all levels in trade and industry.

JOHN METHVEN.
Director General of the Confederation of British Industry

Steel

'The Corporation is now in a much better production position'

By Sir Charles Villiers, chairman of the British Steel Corporation

THE BRITISH Steel Corporation enters 1977 in better shape than for some time. The 1975 slump in demand for steel was aggravated for BSC by production and technical difficulties which together resulted in very heavy losses in the financial year ended April 3, 1976. When demand began to rise again in mid 1976 we were still not quite able to meet it. By late 1976, however, the position was reversed and flagging demand was outstripped by steadily rising production. The Corporation has been turning out over 430,000 tonnes a week for the past two months, plants have been breaking production records, and we have been able to stockpile for future market needs.

The recession has given us the opportunity for major plant overhaul and maintenance, and the new plant and enhancements are now coming on stream. In 1976 we spent £600m. on improving and augmenting our production kit and 1977 will see about the same. We seek commitment and enthusiasm to pull better performance out of the plant. Decentralisation of decision making and greater involvement with the workforce are BSC's key policies. The Corporation is now in a much better production position, with good plant working well, many bottlenecks eliminated, improved industrial relations and new capacity coming on stream.

We can use the steel to regain the market share which past problems have cost us. Five years ago, the Corporation held 70 per cent. of the U.K. market; to-day it holds 55 per cent., and that lost ground has to be regained. For two years, Britain has imported more steel than it has exported: in view of the balance of payments this simply must be corrected.

In 1976 the sales organisation and policy of the Corporation was re-oriented to achieve this objective. The "Product Units" are expert teams specialising in specific product ranges, backed up by customer service managers in the works, able to tell the customer exactly what is happening to his order.

Weak demand restrains anything but cautious optimism. But there is an awareness that all the preparation of the past and the readiness of the present will soon have a chance to show what it can do.

Motors

Productivity must be raised if the forecast rise in output is to be achieved

By David Plastow, president of the Society of Motor Manufacturers and Traders

THE PAST YEAR has been one of major significance for Britain's motor vehicle industry—a year of logical and essential restructuring in the areas of investment, marketing and plant and production modernisation.

Employment in the vehicle building industry was slightly lower during 1976. Nevertheless, car production rose by 7 per cent. to some 1.36m. Total commercial vehicle output was 2 per cent. lower at 375,000 reflecting a dull home market, but production for export rose 5 per cent. to 195,000, second only to West Germany in Europe.

Britain's motor components industry, which includes substantial input from the "Big Four" vehicle makers, continued to lead the rest of Europe and made a further huge contribution to the record surplus of motor export earnings over imports of about £1.6bn. for 1976, thus maintaining the motor industry's position as Britain's leading currency earner. As an industry dedicated to the principles of free trade, we have resisted any temptation to press for an import control policy and there is evidence that the Europeanisation of car production will render the debate less realistic as Europe's car products are sourced from several EEC countries.

In 1977 the industry is set fair to capitalise on much of the restructuring and new product development of 1976. The industry is geared for a production rise of around 14 per cent. in cars to 1.55m. and for a 4 per cent. lift in commercial vehicle output to 390,000. To achieve this there must be increased productivity compared with the year past.

It is the industry's continuing hope that the Government will place no short term fiscal hurdles in their path and that under a free market economy Britain's motor industry may continue to make its major contribution to Britain's wealth and balance of payments.

Chemicals

'Largely through increased exports we are hopeful of reasonable growth in 1977.'

By A. S. Woodhams, president of the Chemical Industries Association

IT HAS BEEN disappointing that the promising recovery which was evident in the first quarter of 1976 in U.K. and in Europe has not been sustained in the second half and these economies remain sluggish. Against this background it is encouraging that U.K. chemical industry exports increased by 40 per cent. to over £3bn. in the past year, achieving a record £1bn. favourable net balance of trade. In spite of many sections of the U.K. market being depressed, overall volume of output for 1976 grew by 8 per cent., largely through the high level of exports.

Again, largely due to increased exports, we are hopeful of a reasonable rate of growth for 1977 taking the overall output level above the previous peak year, 1974, with total industry sales expected to exceed £13bn. in 1977.

Prices of chemicals came under pressure internationally in the latter half of 1976 although the downward movement of the pound helped U.K. exporters in the early half of the year. In an industry which has to import much of its basic raw materials including oil/feedstocks the falling pound soon caused increases in production costs for many sectors. Prospects for 1977 should show some hardening of prices particularly in the U.K. where price levels are lagging behind cost increases.

The distorting effect of the Price Code is illustrated in that profits for the chemical industry in inflation adjusted terms fell to below zero in 1974/75. Although the changes in the Code last July were of practical value, any factors artificially restricting profit levels to below the average cost of money (*vide* the present high MLR) must be removed if a high-level investment programme is to be sustained. The industry has continued to increase its investment in real terms and in current money terms this expenditure will probably exceed £800m. in 1977.

This Association welcomes the Government's continued attack on inflation and in support of it puts forward two proposals for 1977. To Government we stress that the key factor for increased industrial investment is the need to inspire confidence, first by making the U.K. attractive for foreigners to work in and to invest in, for in so doing this improves the position of domestic companies, and secondly by avoiding contentious legislation in the industrial relations field such as might arise from the Bullock Report.

To managements we urge that they too should recognise their positive role in controlling inflation by giving continuing attention to their cost competitiveness and their productivity in regard to both capital and labour; so far as the latter is concerned, continued discussion with unions at national and local level is, of course, essential. Equally essential in increasing efficiency is the need to enable all employees to make a more effective contribution through improved communication and consultation, starting at unit level.

Oil

Need for 'further progress towards conservation and more efficient use of oil.'

By David Steel, chairman of British Petroleum

IN 1976, North Sea oil flowed in large volumes, with several new fields adding their production to that of BP's Forties field which had been flowing since the previous autumn. It is worth remembering that little more than two decades ago few people—including experts within the oil industry itself—would have put money on commercial reserves of petroleum being discovered and produced in the North Sea. Add to that the fact the engineering capability had to be specially developed for the area with its deep water and hostile weather, and you have a colossal economic and technical achievement. For example, when BP was allocated the Forties block 21/10 in 1965 the means did not even exist to produce any oil that might be found.

We have seen in 1976 not only the successful progression of North Sea activity but a project of similarly massive scale the impact of which will be no less dramatic—the development of Alaskan oil. The trans-Alaska pipeline is now in place, having been the subject of intense technical scrutiny, particularly of welding, during the year. Prudhoe Bay crude oil is due to flow in mid-1977, and its contribution to the supply requirements of the U.S. is timely to say the least. With it will come the further establishment of BP's interests in the U.S. as our share of Sohio begins to increase.

Exploration and production activities in the oil industry tend to appeal to the public's imagination—more so than the problems of supply and consumption. Also, we must not overlook the continuing problems the oil industry is facing in trying to make its shipping, refining and marketing operations pay their way—particularly in Europe.

It is two years since the 1973-1974 oil crisis brought home to the consumer the fact that oil is not only expensive, but finite. The search for new reserves continues, with BP playing its part in many areas of the world. But the day when oil reserves no longer support production to match demand can now be firmly anticipated, even if the actual date is a matter of contention between commentators.

During the year I took the opportunity publicly to question whether growth in energy use was bound to continue. Is it necessary or even sensible to allow for demand of primary non-renewable fuels to grow at current rates?

In the U.K., I believe that over the next 20-25 years the demand for existing non-renewable energy sources, particularly oil, could be progressively reduced to a point where growth ceases altogether; but this would involve major effort and the use of all existing technology and resources. I would stress that I am not advocating economic standstill, nor do I question continued economic growth. This becomes all the more relevant an issue in the light of the recently-announced OPEC price increases, even though at present we do not know exactly how producer governments are going to implement them, or their effect on individual consuming markets.

In conclusion, I believe that in 1976 there has been some advance in the general understanding of the problems of energy, including oil, and I sincerely hope that in 1977 there will be further progress towards conservation and more efficient use of non-renewable primary energy sources—particularly oil.

Shipbuilding

'A fog of uncertainty while politicians use our industry as a doctrinal battleground.'...

By John Wright, president of the Shipbuilders and Repairers National Association

ALL OVER THE WORLD shipbuilders are conscious that 1977 could be the most trying year since the war. Because of the world trade recession, an almost total collapse of the tanker market and a resultant excess of building capacity, the outlook for new orders is extremely bleak. In Britain, shipyard managements are bracing themselves for an indefinite period of crisis, when contracts are likely to be only a fraction of what would be necessary to sustain the industry at its present level of output.

In one respect, Britain's shipbuilders are worse off than most of their foreign competitors. While the shipbuilding nations of the world have been battening down the hatches and collaborating with their respective governments to produce survival policies, the industry in Britain is almost alone in having no such policy. Instead, we find ourselves enveloped in a fog of uncertainty while politicians use our industry as a doctrinal battleground. For more than two years now this uncertainty has been growing.

It could be argued, and indeed already has been, that Britain's shipyards are now nearing the point of no return. Unless positive action is taken without delay to establish a survival policy for the industry—as has been done for our counterparts elsewhere in Europe—then a sizeable shrinkage of Britain's shipyards cannot be avoided. Some commentators have suggested that it is already too late but I would not necessarily agree. If action is taken now to encourage new orders in our yards we might still escape without mortal injury and the shipbuilding areas of Britain, where unemployment is traditionally high, will be spared the deprivation and social distress which will otherwise be their lot.

Engineering

'Some ground for optimism' about home demand for consumer goods

By Brian Kellett, chairman, Tube Investments

GOVERNMENT statements recognising the importance of manufacturing industry in creating national wealth have yet to be translated into significant action. At least the danger of further depressing demand on industry seems to be recognised. If reduced public spending now leads to the individual having more of his own money to spend the demand for consumer goods should increase. If confidence grows that the country's economic problems are at last to be tackled resolutely personal savings are likely to fall and again increase demand for products. We see some ground for optimism, therefore, about the prospect for home demand for consumer goods.

With production well below capacity in many sectors of industry demand for capital equipment for expansion projects must remain low. Nevertheless in TI we are spending heavily on modernisation and improved efficiency. To encourage this thoughout industry Government must pre-empt fewer national resources for the public sector and allow efficient companies to earn enough profit to remunerate their investment. In the first place the introduction of more modern and efficient plant is likely to reduce the number of jobs in the factories where it takes place, but increased activity in the machine-building industries should soon feed back through the economy into increased demand for consumer products and in time justify additions to manufacturing capacity

Overseas, some advanced economies have already shown useful recoveries. However, the engineering industry recognises that, despite the fall in sterling, sustained efforts are needed to improve productivity and efficiency and offset rising costs, particularly of steel, if we are to continue to be competitive. Success in export markets also depends crucially on the energy and enthusiasm of management in identifying and exploiting the opportunities, and on pride in product and performance in the factories ensuring high product quality and reliable delivery. Reductions in direct taxation are essential to help restore a strong motivation and identification by the individual with the prosperity of the enterprise in which he works.

1977 should see a real start on rebuilding the prosperity of manufacturing industry. If the Government would translate its recent verbal assurances to industry into determined action the turn-round for industry and for national prosperity could be much faster than many suppose.

Retailing

'We see ominous signs that costs in 1977 will resume their climb.'

By Joseph Godber MP, chairman of the Retail Consortium

RARELY HAS there been so much uncertainty about the medium term prospects for retailing. Volume is at its lowest level for three years and shows no signs of a sustained increase. While there have been, and may continue to be short lived increases in the demand for durables, reflecting their sensitivity to actual or impending taxation changes, both direct and indirect, food sales have remained depressed and must continue to suffer from trading down by consumers.

It is too early to speculate when volume will continue the upward trend which, apart from recent years, has been the experience since the war. If the economic gloom lifts we would expect a fairly sharp reaction in terms of personal spending. What remains unclear is when this will take place.

Retail costs which rocketed in 1975, and resulted in stringent economies being taken, moderated somewhat last year. However, we see ominous signs that costs in 1977 will resume their climb. As a labour intensive industry, wages represent the largest single cost factor in retailing, and these will continue to rise more sharply than in the rest of industry, contributed to in no small way by the 2 per cent. national insurance surcharge due in April. In addition, general heavy increases in local authority rates and public utility charges already under way will contribute to rising costs in the retail sector.

Margins have been under pressure from a combination of slack demand and rising costs. Unless volume rises and costs are contained, we foresee little change in overall retail margins.

The final uncertainty is government intervention on prices. The present Price Code expires at the end of July, and retailers are convinced that it should not be replaced with further controls. Free competition unconstrained by artificial price controls in the long run leads to the lowest possible prices to the consumer.

Construction

'We are heading for a construction industry on half-time with over 300,000 operatives unemployed'

By R. M. Willan, president of the National Federation of Building Trades Employers

FOR THE fourth year running Britain's construction industry faces the prospect in the 12 months ahead of a fall into deeper recession, and thus another drop in workload and still higher unemployment. The coming months would have seen a serious decline in the industry's levels of activity before Mr. Healey's December mini-Budget. Now, with a further £1bn. cut from public sector building programmes on top of the £400m. announced in the summer, and with an anticipated sharp decline in private house building, the outlook suggests a reduction of some 15-20 per cent. more in the industry's output in the two years 1977-78.

The consequences are incalculable. Already most firms are working at three-quarters capacity or less; unemployment is around 220,000 and rising and the industry's recruitment and training programmes are in disarray. With Mr. Healey's new cuts, we are heading for a construction industry on "half-time" with over 300,000 operatives—approaching one-third of the total building work force—unemployed.

The immediate prospects for the construction industry are serious enough. But the time will come—perhaps in a year, perhaps longer—when this or some other Government will want to turn from short-term economic problems to the longer-term regeneration of British industry and development of the social environment. Industry badly needs new factories and society badly needs new roads, schools, hospitals and houses as soon as economic recovery permits the building of them. But if the present rate of building decline is allowed to continue there will simply not be the building capacity to cope with this demand when it comes.

Skilled craft operatives will have left the industry, management and design teams will have broken up and many of the most talented managers will have moved out of the industry altogether or gone abroad. It will be far too late for any Government to expect the construction industry to respond to demand simply at the turn of the tap. Therefore 1977 must see a radical change in Government policies towards construction.

Accepting, as our industry does, the need for continued cut back in public expenditure, the Government must quickly change its policy and facilitate a switch of whatever public sector financial resources are available for building towards more labour-intensive work. In addition it must work with the industry to stimulate greater demand now in the private sector. In particular the industry's proposals for help to first-time private house buyers and greater encouragement to industry and commerce to invest must be acted upon as a matter of urgency. Only if these changes in Government policy are made and made quickly, will the industry be able to ride out its worse recession in living memory.

Textiles

The Multi Fibre Arrangement in its present form is 'manifestly unable' to regulate imports

By J. A. Clough, president of the British Textile Confederation

1976 WAS A year of profound disappointment for the British textile industry. The previous year had seen the lowest point of the most severe recession to hit the industry since the 1930s, and majority opinion in the industry believed that 1976 would see a substantial recovery. The indicators in the early months of the year for a time bore out this forecast, showing a heartening increase in output over the very depressed levels of 1975. This recovery was not, however, sustained, and by early summer activity had ceased to show much increase; in this, the U.K. was repeating the experience of the American and West German textile industries, although in their cases the strength of the initial recovery had been very much greater.

One of the major factors holding back the industry's recovery was the continued growth of imports (up 33 per cent. by value over 1975 in the first three quarters), especially of clothing from low-cost sources, which the restraint measures taken by the EEC under the GATT Multi Fibre Arrangement did little to control. Particularly worrying was the manifest inability of the MFA in its present form to assist the industry sufficiently during a recession, in order to take account of the high market share already held by imports in the U.K. or to control the staggering rate of growth of imports from new, and unrestricted, low-cost textile suppliers. These defects greatly increased the problems of the industry and the social disruption arising from closures and short time working. The one bright spot was the highly creditable increase in exports achieved during the year—up 35 per cent. by value over 1975 in the first three quarters. The fall in sterling was clearly of assistance in this, but it has also raised considerably the cost of raw materials purchased by the industry.

The outlook for 1977 is uncertain. At home, a sustained recovery is unlikely to take place without a strong revival in consumer off-take in textiles and clothing, which is doubtful while living standards continue to decline. A marked increase in exports can be looked for and the prospects are encouraging, since British textiles are highly regarded in overseas markets for quality and, in many cases, design, although we are aware of the need to strive to improve our standards still further. The co-operation between workforce, trade unions and management to secure a prosperous future for the industry will continue, not least in the industry's efforts to ensure that the Multi Fibre Arrangement, due for renewal at the end of 1977, is modified in order to bring about the orderly development in textile trade which it has failed to provide so far. We shall also continue to work with the Government in its industrial strategy programme, with the common aim of increasing our already substantial contribution to the national economy. 1977 will be a year of many challenges, but the British textile industry will face it with traditional courage and determination.

Electronics

'Technically, 1977 will be the year of the microprocessor revolution.'

By R. Telford, managing director, GEC-Marconi Electronics

THE ELECTRONICS industry, upon which so much of the rest of the nation's industries and services comes increasingly to depend, can be expected to maintain its contribution to our national well being in 1977. Despite a home market that, in the main, shows no sign of expanding, the year ahead should be a good one for the capital electronics industry which has always been an enthusiastic and successful exporter.

The demand from the developing countries for electronic equipment continues to increase and among the many growth areas, radio-based communication systems of all types are expected to be a major requirement. Defence systems, which are becoming increasingly dependent on electronics and avionics, will also continue to provide high export demand for British capital electronic equipment which is generally equal and frequently superior to that produced by other international competitors.

Technically, 1977 will be the year of the microprocessor revolution. A fundamental change came over the electronic and computer industries with the introduction of semiconductors 20 years ago. Costs came down, and reliability went up, allowing electronics to be used in a wide range of new applications. 1977 will see the full impact of an equally fundamental change through the application of microprocessors. The development of semiconductors to allow ever more complex functions to be carried out on a single chip of silicon has at last made it possible to produce a complete computer as a single component.

These new techniques make it possible to incorporate intelligence in the simplest devices, such as the domestic appliances used in every home. In the 1960s the prospect of using computers in police, fire and public transport vehicles was only the thought of the prophet. In 1977 many such vehicles will be on the roads using microprocessors to help them communicate with central control. One effect of this revolution is to bring the component manufacturers into direct competition with their customers, the equipment manufacturers.

As with all revolutions, change will not be brought about without pain to some and gain to others. The mechanical engineering content diminishes and with it, the need for many traditional manufacturing processes. But the demand for higher level technical abilities grows accordingly and with it that important element—the added value.

Our native abilities can take care of the situation and so can our leading companies, given only the ability to earn and retain sufficient profits to finance the essential investment in men and material.

Aerospace

'The major concern is the civil aircraft programme for the 1980s'

By Sir Richard Smeeton, Director of the Society of British Aerospace Companies

WITH THE prospect of a new export record of close to £900m. in 1976, nearly £100m. up on the previous year, Britain's aerospace industry has maintained its outstanding contribution to the balance of payments despite possibly one of the most unsettled years, both commercially and politically, in its recent history.

Economic difficulties arising predominantly from rising fuel charges, with their inevitable effect throughout all sectors of the air transport business, have brought a continuing recession in major purchases by world airlines and the U.K. airframe and aero-engine production industry in common with many others has suffered as a result.

It is the more disturbing for the future prospects of our industry that this difficult period internationally has come at a time of major uncertainty at home resulting from continuing Parliamentary debate on Government legislation to nationalise a major part of the airframe and missile sector. The SBAC, as the representative body of that industry, has not changed its stand on this important issue, that Government ownership of our major companies is unwarranted, irrelevant and totally against the national interest.

British order books for military hardware are reasonably full and therefore the major concern now is the question of a civil aircraft programme for the 1980s. Nevertheless the military exports can in the long term be threatened severely by further cuts in our domestic defence estimates.

In the civil field it is clear that the airlines have not decided what they want and it seems probable that they will not wish to spend money on new aircraft until there is a clear economic benefit in so doing. This does not mean that we should be complacent: it emphasises the need for an early decision on the ownership and structure of the U.K. industry in order that it may be seen to speak with authority for a fair share of future international projects to come to the U.K.

There is no doubt that our member companies have the technological ability and the all-round capability to meet any challenge that the coming decade may present and they are determined to protect this position.

It is a great tribute to the efforts of our companies that, against such a background, the past year has brought some notable achievements. The British Aircraft Corporation, with a forward order-book of £1bn., has signed a historic £400m. oil-for-missiles deal with Iran. Hawker Siddeley, while continuing substantial exports of Trident airliners to The People's Republic of China, is completing negotiations with Finland for the sale of up to 50 Hawk ground attack/trainers worth some £75m. Boeing has sold the first versions of the 747 powered by the Rolls-Royce RB.211 engine, already a major success in the Lockheed TriStar. The aerospace electronics and equipment industries, whose exports have made an impressive contribution to our exports this year, are steadily expanding their sales world-wide, with order-books for some leading companies in these sectors at a record level.

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Forecasts 1977

THE VIEWS OF LEADING INDUSTRIALISTS

Continued from Page 9

Shipping

'The Nine should be a maritime community in the full and creative sense'

By the Earl of Inchcape, president of the General Council of British Shipping

THE FORTUNES of British shipping are always difficult to predict because of its position as a servant of world trade and because of the complex relationship between the carriage of raw materials and finished products for world-wide industry. What can be said is that as British shipping is less directly dependent upon the state of the U.K. market than most industries, its prospects for 1977 should be correspondingly better.

But this is a generalisation. The very substantial overtonnaging which still overhangs and depresses the oil tanker markets will persist throughout 1977 and probably beyond. How great will be the spill-over into the dry bulk trades depends upon the willingness of Governments world-wide to reduce their shipbuilding capacity so that there is some reasonable relationship between total demand and total supply. Otherwise the problems of world shipbuilding will be transferred to world shipping with consequences which sooner or later will be serious for both.

Liner shipping has, in general, performed well in 1976, especially to areas, such as the Middle East, where demand is strong; this should continue throughout the coming year. But there are problems. Nascent nationalistic and political forces increasingly make themselves felt. Protectionism continues to be evident in the U.S., in West Africa and elsewhere. Overshadowing the whole is the absence of any internationally agreed workable regime for liner shipping and the erosion of traditional trades by East Bloc fleets. The latter remains a major threat to the shipping industries of the West.

We have been particularly saddened by developments in the U.S. where the activities of the Department of Justice seem likely to lead, in the New Year, to a new shipping confrontation. And although the past year has demonstrated quite clearly that the EEC has a role in shipping, it remains to be seen how and in what measure that can be played to the benefit and not to the constraint of shipping. The Nine should be a maritime community in the full and creative sense.

Meantime, the British fleet is young and efficient and prepared to meet the various demands and opportunities which face it. The hope is that world trade in the coming year will improve and that, despite difficulties, the massive contribution *which the British fleet makes to* the balance of payments will be even larger than hitherto. Certainly it is our firm intention to maintain our presence and impact as a leader in world shipping.

Agriculture

The farming industry 'does not appear to be included' in the Government's strategy for recovery

By Sir Henry Plumb, president of the National Farmers' Union

IT IS, in some ways, a comforting thought that, whatever the politicians or the economists may do or say, the weather still has the last word in farming. The weather played some very unkind tricks in 1976 and, if lurching from one climatic extreme to another is to become the norm for the British weather, farming will certainly become an even more difficult business than it is already.

Lurching between political and economic extremes is, of course, now accepted as part of the British way of doing things and 1976 has been no exception. From the farmers' point of view the extremes have been, on the one hand, a Government commitment to increased home food production; on the other, extreme reluctance to take the economic measures necessary to bring about such an increase.

The Government's strategy for recovery is based, we are told, on a return to economic reality. The principal concerns are industrial productivity, employment, investment, competitiveness and even profits. Agriculture does not, however, appear to be included in this strategy. As the year has gone on, it has become more apparent than ever that, as far as farming is concerned, the Government's sole concern is the price of the end product.

Such a policy may be justifiable politically—indeed, I would be the last to deny the political significance of food prices—but it makes economic nonsense. Starving industry of resources by squeezing profits regardless of the pressures on the means of production is exactly the policy which has landed the country in its present mess. And it is exactly the policy which the Government appears to be adopting for its biggest and one of its most efficient industries—agriculture.

If the entire economic recovery is not to be sabotaged by soaring food imports and food prices, the Government must use the same basis for its agricultural policy as it uses for its policies for the rest of industry. That means ensuring that farmers and growers have the resources to invest in improving the productivity and efficiency of their businesses. Some prices may have to rise but, as with the rest of industry, that is the price the nation must pay to put its economy back on a sound footing.

Food manufacturing

With import costs likely to rise uncertainty over price controls is eroding confidence

By Mr. D. R. Hornby, president-elect of the Food Manufacturers' Federation

FOR THE BRITISH food manufacturer looking forward into 1977 is like seeing through a glass darkly. Much depends on a number of imponderable factors: Government decisions on prices and incomes; the value of sterling affecting our raw material prices; the cost of raw materials on the world market; Government action in relation to the Green Pound; the Farm Price Review; and general increases in such input costs as packaging materials. There will also be a requirement for more working capital as a result of the anticipated cost increases.

Pundits are forecasting an increase of 15-20 per cent. in food prices for 1977. Part of this increase, however, is in the hands of government. One recognises that it is difficult to control the value of the pound which affects the price of our imported raw materials. Nevertheless, the single most important factor is to regain confidence in the food industry.

Food manufacturers have always operated under low profit margins and confidence is now being eroded because of uncertainty over possible discretionary controls in the future. The industry has already experienced problems with its cash flow and this will only be exacerbated if there are further large increases in import costs over the next year.

Recent relaxations of the Price Code are unlikely to provide sufficient remedies in view of anticipated cost increases next year. The continuing reduction of real incomes within the general recessionary climate together with anticipated cost increases and resistance in the market place will not help the volume of food sales. This difficult situation will be exacerbated if, by reason of climate or natural disaster, the past year's crop failures—as in coffee and potatoes—are repeated.

While the Federation supports the Government's industrial strategy, these are some of the factors which surround the performance of the U.K. food manufacturer in 1977. They raise questions rather than answers. As to the latter, we wait for the most part on Government.

Machine Tools

'It is our objective to improve our export performance further.'

By Mr. G. W. J. Trowbridge, president of the Machine Tool Trades Association

1976 WILL BE remembered by our industry as a year of unfulfilled forecasts, increasing interest rates and a devaluing currency, with all that means to manufacturers of capital goods searching the world for industrial growth and exhibiting his products overseas: In world terms he is paid less for his labour while in export travel, international promotion of sales and rendering of service his expenses have risen greatly.

Major among our promotional activities was the Association's machine tool exhibition MACH 76. This exhibition, the largest ever held in the U.K., compared favourably with any international exhibition ever held elsewhere in the world. It was promoted by our industry, risking its own money, for presentation to the manufacturing industries of the world. Some £60m. of fully tooled and operating plant was installed. New British machine tools representing some £11m. of design and development costs were displayed for the first time to the customer industries of the world.

In addition to this major event members of our industry participated in some 18 national and local exhibitions overseas, as far apart as Japan, Eastern Europe, Australia and the U.S. During the year we organised and hosted six inward trade missions, mostly from Comecon states, for periods of a week or more to visit our factories. We also received some eight delegations from other countries around the world.

As we enter 1977 it is our objective to improve our export performance further. The industry for some years has been a net exporter with a positive balance of trade exceeding £150m. in the last five years. However, to achieve this objective we also need a home manufacturing industry which is sufficiently strong to risk money in proving new developments and techniques. Unless this is possible we will not have a satisfactory base from which to penetrate world markets with the proven updated and new designs necessary to the achievement of our objective.

1977 will be a year in which rewards should be reaped from the great endeavours made in the export markets in the past year or so, and which will continue to receive our constant attention for success in this sphere, help to ensure the stability of work load essential to the well being of the shareholder and work force alike.

To speak of increasing export performance is easy, to achieve it is a hard, arduous and expensive task in which finance and manufacturing may need to be tolerant of each other and be patient for the rewards. Don't let negative argument obstruct or hinder the work of the "doer" in this important task. It is those who design, manufacture and market that have to meet the challenge and combat the competition face to face in third markets. Don't let careless statements made at home make their job more difficult.

Paper and board

'There is likely to be considerable excess capacity for most grades during 1977'

By T. S. Corrigan, president of the British Paper and Board Industry Federation

THE BRITISH paper and board industry has had a mixed experience during 1976. Demand improved slowly but steadily following the disastrously low activity of 1975. Customers' inventories, which had fallen sharply in the preceding year, have been largely rebuilt to the levels required for current trading but the slow recovery of the economies of U.K. and of the other advanced industrial nations has inevitably retarded progress. Mills have been operating on average at around 80 per cent. of capacity. In difficult circumstances the industry has displayed an encouraging resilience and strenuous efforts have been made to maintain employment although some short-*time working and a small number* of redundancies have been inevitable.

Demand for packaging papers and boards has shown the strongest recovery and as a substantial part of the raw materials for these products is derived from indigenous waste paper, profitability in this sector, although below required levels, has shown some improvement. That part of the industry which is mainly dependent on imported woodpulp has faced a considerable deterioration in its already low profit margins which has largely offset the benefits of improved demand. This is mainly because woodpulp is sold almost entirely in U.S. dollars. Although the price has remained unchanged for nearly two years the severe decline in the exchange value of sterling has caused a substantial raw material cost increase. During 1976 alone the effective increase has been of the order of 25 per cent. but market forces have prevented full recovery of this and other cost increases. Important sectors of the British paper industry face competition from paper imported from the Nordic countries and elsewhere offered for sale at sterling prices which by no means reflect the decline in the value of the pound. Some disruption was caused by occasional speculative imports of paper from several non-traditional sources sold at totally uneconomic prices.

Further improvements in sales realisations are required to restore the balance between pulp and paper prices and produce urgently required profit improvement.

Generally demand is expected to increase slowly and there is likely to be considerable excess capacity for most grades, particularly general printing papers throughout western Europe during 1977. Manufacturers in these sectors must learn to operate profitably while working at around 80 to 85 per cent. of capacity.

The industry approaches 1977 with some caution as current *indications are that recovery in* the main industrial economies, particularly U.S., Japan and West Germany, is slower than expected. The continued need for monetary discipline in U.K. seems likely to restrain domestic consumer demand still further. However, at current exchange rates British all-industry export potential should remain considerable and this in turn should provide, directly and indirectly, improved demand for British paper and board. There should also be prospects for a continued increase in direct exports of British technical and specialised paper products and the medium and higher quality printing papers. There is some reason then to anticipate that the level of demand for paper and board may improve slightly during 1977, particularly during the second half. Much will depend on whether or not international inflationary forces are permitted to re-appear which, if they do, could advance a recovery of demand and possibly produce a repetition of the violent fluctuations of 1974 and 1975. This would not be in the general interest and it is much to be hoped that economic recovery will be soundly based and sustainable.

Civil Engineering

'The industry has been weakened to a dangerously low level'

By Esmond Baucher, chairman of the Federation of Civil Engineering Contractors

THE CUT and come again policies traditionally adopted by Governments towards our industry continue.

As each new economic package follows its predecessor with every diminishing breathing space, we try to convince ourselves that surely this time they cannot be going to demand yet more from us.

Almost all of the economic pundits are now reinforcing the point which we have made for many years, that it is a nonsense to keep cutting public capital investment rather than the public non-productive spending where the problem truly lies.

While it is some comfort to have it, their support is of doubtful value since it is not lack of understanding that is preventing the Government from taking the appropriate measures. Rather it is "political convenience" that comes to the fore and the dictates that construction programmes should once again be sacrificed rather than the political sacred cows who are so busily consuming the nation's seed corn.

The construction industry, always in the past so resilient, is now descending into a trough deeper than any met in the past 30 years.

Many highly-skilled teams of operatives and staff are being disbanded by civil engineering contractors who have no new contracts to replace those approaching completion. A strong and efficient construction industry is essential for the well-being of the nation and it has now been weakened to a dangerously low level. Moreover, the industry carries out a massive and increasing volume of work overseas earning valuable foreign currency and needs a broad home base from which to operate.

However, in accordance with best traditions in these matters, our sponsoring Ministers have told us how sorry they are that once again we are to bear the brunt of further cuts. Unhappily, we know their sorrow shows only as "crocodile tears," for while uttering their regrets they are at the same time adding quite gratuitous and unnecessary damage through the medium of their direct labour proposals.

In our view the very least they can now do, in the light of their failure to prevent the latest round of construction cuts, is to withdraw the damaging legislation.

If not, our primary objective during 1977 will be to resist it with all the means at our disposal.

HOME NEWS

Independent tankers face mounting cash pressure

BY JOHN WYLES, SHIPPING CORRESPONDENT

MOUNTING FINANCIAL problems caused by the world oil tanker surplus will force some long-established independent owners to dispose of some or all of their tanker tonnage, according to a newly-published study.

The study by HP Drewry (Shipping Consultants) refrains from identifying the vulnerable shipowners, but highlights the relative exposure of some big Scandinavian tanker owners. These are heavily dependent on a swift recovery in spot freight rates because only a small proportion of their fleets are fixed on medium- or long-term charters.

Most attention during the past year has been directed on the troubles of Norway's Hilmar Reksten who, the study says, represented the high risk extreme of tanker owning.

Reksten built up a fleet of 2.8m. deadweight tons for trading on the spot market or for short-term period charter which "accumulated large profits" during periods of high freight rates.

The Reksten group had been very badly hit by the present prolonged depression, though, and a major rescue operation had had to be mounted by the Norwegian Government and leading creditors.

The report says that Reksten's exposure is closely followed by Sweden's Salen group, which has only 14 per cent. of its 14.1m. dwt owned tonnage on period charters—all of them due to expire "in the near future."

Similarly, Denmark's AP Moller has 46 per cent. of its 4.6m. dwt owned tonnage on period charters due to expire mainly before 1978.

These details are revealed in an analysis of the world's 25 largest independent tanker owners, which own 45 per cent. of the world's independent tanker and combined carrier fleet.

The report's conclusions suggest that the big Hong Kong owners, World Wide Shipping and Island Navigation, will survive strong. Their policy has been to fix to 1980 or beyond most or all of their fleets on long-term charters and most of the Japanese "Big Six" independents have taken a similar line.

The Role of Independent Owners, No. 49 in a series by HP Drewry (Shipping Consultants) Ltd. London £30 ($75).

Thomson, Horizon hold prices

BY MICHAEL THOMPSON-NOEL

TWO MAJOR holiday companies, Thomson and Horizon Midland, said yesterday they were freezing their summer holiday prices for 1977.

Thomson, which claims the biggest share of the market, said: "No matter what happens to the pound, to the price of aviation fuel, Eurocontrol charges, airport handling charges and the like, Thomson Holidays are keeping their prices at the levels published in their brochures."

Thomson is also planning to increase its sales with four new summer holiday programmes.

Misleading petrol signs criticised

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE PRICE of petrol on sale in London garages claiming to offer "money off" without specifying the actual price per gallon can vary by as much as 16p per gallon, a report by the National Consumer Council claimed yesterday.

The survey found that among 26 London garages displaying "money off" signs, only two were specific on price and 21 could actually mislead. This is despite the recent agreement between the Office of Fair Trading and the petrol retailers aimed at clamping down on misleading displays.

The council, set up by the Government last year to represent the consumers' interest, urged motorists to boycott garages which do not make it clear at what price petrol is being sold. If all drivers bought their petrol only from garages which clearly marked actual prices, other garages would have to follow suit, the council said.

The Department of Prices and Consumer Protection has already warned garages that unless they stop using misleading techniques to tempt customers into their forecourts, legislation will be introduced covering the display of petrol prices.

According to the National Consumer Council's survey, misleading displays were more commonly found among garages belonging to the big chains than privately owned petrol stations. The survey found that four out of five cut-price garages in London used signs which could actually mislead the consumer. More than a third advertised in terms like "8p off," with no indication of the actual price per gallon, while nearly two-thirds of the petrol pumps did not register the actual price to be paid. About one in three advertised in fractions without showing whether the price would be rounded up or down and about half the garages restricted their offers, often in small print, in some way.

Royal patron for export institute

THE Duke of Kent is to become patron of the Institute of Export, a professional body which aims to inform the public about export trading.

Members are mainly professional exporters employed in manufacturing companies and merchant houses and other export organisations, but also include certain categories of bankers, civil servants, insurance officials, lawyers, airline operators, shipowners and other occupations concerned with export.

Tote calls for State monopoly

BY MICHAEL THOMPSON-NOEL

A STATE monopoly of betting, and the gradual dismantling of Britain's commercial bookmaking system, are recommended by the State-run Horserace Totalisator Board in a detailed and controversial submission to Lord Rothschild's Royal Commission on Gambling.

If adopted, the Tote's plan would mean a radical upheaval in the activities of the existing Big Four commercial betting combines: the Ladbroke Group, the Coral Leisure Group, William Hill (a subsidiary of Sears Holdings) and Mecca Bookmakers (a subsidiary of Grand Metropolitan Hotels).

The proposed monopoly would be operated by the Tote Board.

According to the Tote's submission: "Immediate outlawry of private bookmaking is neither a practical nor an equitable course. A period of adjustment *would be required to allow the* Tote to come to grips with its new responsibilities and the bookmakers to phase themselves out of their present activities."

This period, says the Tote, should be a minimum of three years and a maximum of seven.

The monopoly, which would not be extended to on-course betting (which involves a fraction of the total), should produce gross operating profits of £241m. annually, says the Tote. "This is the total sum which would be potentially available for division between the State and the racing industry."

The total capital cost of setting up such a monopoly, says the Tote, would be around £90m.-£120m.

It points out that largely as a result of the Betting and Gaming Act 1960, which legalised High Street betting shops, the Tote's share of the total betting market had fallen from 12-15 per cent. to less than 3 per cent.

The Tote seeks to extend the monopoly over pool betting to all forms of betting, whether cash or credit, except on-course bookmaking.

An estimated £23m. a year is needed for prize money alone, while racecourses over the years have operated on very slim private margins. Against this, the current yield of the horse-racing betting levy—some £9m. per annum — is wholly inadequate.

Doubling or trebling the rate of levy "would be sharply counter-productive and unlikely to raise the necessary cash. It would also provide a considerable stimulus to illegal betting."

The Tote states that: "Among the major racing powers Britain is exceptional in the extent to which it permits private bookmaking to enjoy anything but a very restricted share of the market. France, Italy, Germany, the U.S., Australia and other countries all enforce some form of betting monopoly."

Off-course cash betting in Britain is handled through some 14,000 betting shops with a total turnover of around £1.69bn. (£1.35bn. directly from horse-racing, the rest from other forms of betting).

For administrative reasons, the Tote suggests that the control of betting shop licences should pass from local magistrates to itself. At the end of the transition period the Tote would have the option of taking over the leases of commercially-run shops and purchasing the tangible assets at a valuation based on written-down book value. All other licences would be surrendered.

It would be the Tote's aim to achieve a thorough rationalisation of the system, reducing the number of shops and increasing their size, turnover and profitability.

"Taking all factors into account, a total of 6,000 closures, thereby reducing the national total to some 8,300 shops, is proposed as a reasonable target."

The Tote denies that a State monopoly would lead to a resurgence of illegal gambling.

OFF-COURSE BETTING SHOPS (estimated figures)

	1972 Number of Shops	1972 As % of Total	1975 Number of Shops	1975 As % of Total	Estimated Market Share by Turnover at 31.5.75
Ladbrokes	740	5.0	1,096	7.6	13.0
J. Coral	461	3.1	624	4.3	5.0
William Hill	483	3.3	790	5.5	8.0
Mecca Bookmakers	730	4.9	741	5.2	7.0
Tote Bookmakers	4	0	117	0.8	1.0
Other	12,394	83.7	11,003	76.6	66.0
TOTAL	14,812	100.0	14,371	100.0	100.0

Source: Horserace Totalisator Board

Economic Diary

The National Economic Development Council will be meeting on Wednesday. Also on that day the National Union of Mineworkers talks with the National Coal Board on its earlier retirement claim. The Council for Education in World Citizenship conference opens at Piccadilly Hotel, London.

Statistics to be issued on Wednesday cover U.K. official reserves (Dec.). London clearing banks' monthly statement (mid-Dec.). Capital issues and redemptions (Dec.), U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Dec.). Investment intentions of the manufacturing, distributive and service industries (1977 and 1978).

HOME NEWS

New Hastie company will receive State cash aid

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE DEPARTMENT of Industry, which lost its £750,000 investment in John Hastie of Greenock when the company went into the receiver's hands three *months* ago, is to provide financial support to a new Hastie company.

The exact amount has yet to be disclosed but it seems that the Department will provide Industry Act assistance of up to £1m. to help the reconstituted Hastie company—one of the world's leading ship's steering gear manufacturers.

The new Hastie company will be wholly-owned by Vickers. It will have initial assets of £1.2m. and will continue to manufacture steering gear at Greenock.

The acquisition by Vickers will ensure continuity of employment for the 350 people left with the old Hastie company after the receiver, Mr. Matthew McPhail of accountants Thomson McLintock, made 194 redundant earlier this month.

The Department made its original investment in 1975 and became joint owner of the old Hastie company with Lithgow (Holdings) and the Weir Group.

The new owner, Vickers, has been Hastie's major U.K. rival through its subsidiary, Brown Brothers. In recent years Brown has concentrated on naval steering systems—it is the leading supplier of such systems to the Ministry of Defence—while Hastie is market leader in commercial steering gears.

The deal solves a number of problems in that it keeps alive a company judged to be important to the U.K. and preserves *jobs while providing Hastie* with a parent which offers a sound financial base as well as expertise in the same field.

The design and sales of steering gears will be undertaken as a joint activity with Brown whose Edinburgh factory is only 50 miles from Hastie's.

The new company will continue to market and develop the Hele-Shaw Ram Gear, and together Hastie and Brown will sell Actuator, Vane and Ram Gear systems and provide from within the Vickers group a complete range of products for the marine market.

Modest capital spending rally

BY MICHAEL BLANDEN

THE RECOVERY in capital spending in the third quarter of the year was only very modest, according to the latest figures published by the Department of Industry.

Revised estimates show that expenditure by manufacturing industry was £411m. at 1970 prices and seasonally adjusted. This is £8m. lower than the provisional estimate published last month.

The figure represented a rise of 1 per cent. from the level in the second quarter, and a recovery of around 2½ per cent. from the low point in the first three months of the year.

But the level of manufacturing investment had still not recovered to the figure recorded a year earlier in the third quarter of 1975.

The Department also announced figures showing that the rundown in stocks in industry came to a halt in the third quarter. After the sharp drop in the second quarter, there was little change in the September period with the volume of manufacturing industry's stocks rising by £5m., at 1970 prices seasonally adjusted.

In spite of the general lowering of *projections for economic* growth, most forecasters are looking ahead to a substantial improvement in industry's investment next year.

The latest official forecasts indicate a 19½ *per cent. rise* in fixed investment in private sector manufacturing industry (a narrower definition than is covered by the Department statistics which include all manufacturing).

This growth, however, is expected to be offset by a fall back in investment in North Sea installations after the exceptionally high figures of the past half year, so that total private sector investment is expected to remain unchanged.

A similar view, though rather less buoyant for manufacturing, was taken by the recent forecast by Wood, Mackenzie, projecting an 8 per cent. rise in manufacturing investment almost outweighed by a drop in the North Sea-related programme.

The Department of Industry figures show that over the first three quarters of the year so far, the volume of investment in manufacturing industry was about about 8 per cent. below the level *in the same period* of 1975.

Since investment was falling in 1975 and has been rising through 1976, however, the drop for the year as a whole is unlikely to be as large as this.

Only one industry, metal manufacture with a 10 per cent. rise, had a higher level of investment in the first three quarters than in 1975; large falls were recorded in textiles, leather and clothing (29 per cent.) and paper, printing and publishing (21 per cent.).

More Home News on page 20

CAPITAL SPENDING AND STOCKS

(£m. seasonally adjusted at 1970 prices)

		Fixed Capital Expenditure		Changes in stocks		
		Total	Manufacturing Industry	Total	Manufacturing Industry	Materials & fuel
1974	1st	1,171	510	—41	—21	66
	2nd	1,161	502	259	197	61
	3rd	1,177	501	322	358	135
	4th	1,180	511	96	133	14
1975	1st	1,063	471	—52	18	—129
	2nd	1,034	444	—226	—105	—59
	3rd	1,002	416	—225	—234	—133
	4th	941	406	—23	—70	—58
1976	1st	923	402	66	31	—43
	2nd	910	408	—192	—115	—37
	3rd	950	411	30	5	20

Source: Department of Industry

Caledonian allowed more Paris flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways has been granted an increase of about 10 per cent. in the number of seats it can offer annually on the London (Gatwick)—Paris route, with no restrictions as to how it can use them.

The new permitted maximum is 320,000 seats a year, against 291,200 originally. The airline intends to increase the number of flights on the route from April 1.

Caledonian had applied to the Civil Aviation Authority for an end to the restrictions on both the number of seats and the frequency of flights but the authority, while approving the removal of restrictions on frequencies, decided to permit only a 10 per cent. increase in seats.

The authority said its decision would enable the airline to keep pace with the development foreseen on the London-Paris travel market. Caledonian could come *back and ask for* permission to offer more seats if the market grew at a faster rate.

The airline can now deploy its permitted capacity with greater freedom. *Previously* it was *required to limit* the number of seats it offered to 5,600 a week.

As a result, it will probably *offer* more flights in the summer and fewer in the winter.

British Caledonian is almost doubling the passenger capacity on its Gatwick-Manchester service from to-morrow, by introducing One-Eleven jet airliners. There will be two flights a day each way, although some services will continue to be flown by turbo-prop *Dart Herald* airliners. The use of jets will cut Gatwick-Manchester flying time to 50 minutes.

British Aluminium given price rise go-ahead

BY OUR INDUSTRIAL STAFF

BRITISH ALUMINIUM has obtained Price Commission approval for another round of *increases on* primary ingot and related products.

The latest increases, effective from Saturday, are the fourth for primary products since August and will lift prices by an average 9.46 per cent.

The effect of the increases is not, however, being passed on immediately to semi-fabricated products.

British Aluminium said last night that these prices would rise after a short delay, by which time the company would have "*largely caught* up with the sustained cost escalation experienced during 1976."

There was a four-day lag between increases on primary and semi-finished products in the *last round* of price rises in November, when products became an average 5.61 per cent. dearer.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
Andermatt	50	180	Good	Fine	—1
New snow on good base.					
Avoriaz	118	197	Fair	Fine	—4
Powder on hard base.					
Crans	53	145	Good	Fine	—5
Good ski-ing					
Davos	35	120	Good	—	
Everywhere bare patches					
Isola 2,000	180	280	Good	—	
Good powder on hard base.					
Klosters	60	115	Good	Fine	—15
New snow on good base.					
Murren	70	85	Good	Fine	—10
Excellent ski-ing everywhere.					
St Anton	25	80	Good	Fine	—10
Seefeld	32	60	Good	Fine	—7
New snow on hard base					
Wengen	30	80	Good	Fine	—6
New snow on hard base.					
Zermatt	25	70	Good	Fine	—6
New snow on hard base.					

	Depth (cms.) L	U	State of Piste	Weather	°C
SWITZERLAND					
Adelboden	40	100	Good	Sun	—7
Anzere	70	150	Good	Sun	—18
Grindelwald	40	70	Good	Sun	—13
Saas-Fee	60	200	Good	Sun	—18
ITALY					
Cortina	15	90	Fair	—	—
Courmayeur	100	430	Good	—	—
Sestriere	100	200	Good	—	—
GERMANY					
Garmisch	45	70	Good	Fine	—17
Mittenwald	25	50	Fair	—	—8

SCOTLAND

Cairngorms—Main and lower runs complete. Vertical runs *1,600 feet*. Access roads deep snow. Snow level 1,000 feet.

Glencoe: Main and lower runs complete. Vertical runs 2,300 *feet*. Access roads slight snow. Snow level 800 feet.

Forecast: Snow showers, perhaps prolonged; some bright intervals. Freezing level rising to *1,600 feet*.

Reports supplied by representatives of the Ski Club of Great Britain.

Increase in North Sea oil hopes

By Ray Dafter, Energy Correspondent

THE U.K. sector of the North Sea should be producing about 1.1m. barrels of oil a day by this time next year, more than half of the country's expected consumption.

The offshore supply industries *can also expect a resurgence of* orders from oil operators. At least 12 new platforms are likely to be ordered from British yards within the next 18 months, according to one oil analyst.

The optimistic forecasts are contained in the most recent issue of the Financial Times' North Sea Letter, based on a survey of analysts in four companies: Gaffney, Cline and Associates, Gilbert Eliott and Co., Wood Gundy and Wood, Mackenzie and Co.

Gilbert Eliott predicts that upward of 30 new discoveries will be made in the U.K. and Norwegian sectors of the North Sea next year.

Wood Mackenzie, whose North Sea analyst, Mr. Martin Lovegrove, is expected to join the British National Oil Corporation in the New Year, takes a more *cautious line*.

The 1977 level of exploration in the U.K. sector of the North Sea was not expected to be different from that of 1976; about 90 exploration and appraisal wells were expected to be completed.

LABOUR NEWS

Assistant masters to fight cut in teacher-pupil ratio

BY DAVID CHURCHILL, LABOUR STAFF

BRITAIN'S third - largest teachers' union, the 42,000-member Assistant Masters' Association, yesterday voted overwhelmingly to fight any attempts to cut teacher-pupil ratios because of reductions in local authority expenditure.

Delegates at the association's conference in Carlisle agreed that cuts in public expenditure were necessary in view of Britain's economic situation but felt that these should not be allowed to affect school staffing levels.

They passed a resolution *threatening industrial action if* pupils' education suffered because of the cuts or if pupil-teacher ratios and expenditure per child were reduced.

The likely form of any industrial action would be selective sanctions, including not covering *for absent teachers*, but strike action was not ruled out.

Delegates were told by one speaker that education authorities were already down to the "bare bones." The only thing left to cut was staff.

Mr. Elgar Jenkins of Bath said that if the association did not fight "a lot of people here now will not have jobs next year."

The conference instructed the association's executive to examine the methods being used to redeploy teachers in schools being phased out. The executive were told to hold talks on redeployment with other professional associations and to oppose firmly any compulsory redundancies.

Dr. Michael Stevens, a London delegate, said that if the association was not seen to be firm on this issue, other unions would think it was less anxious to protect teachers.

Earlier, the conference decided not to vote on a resolution calling for the end of compulsory religious worship in secondary schools. Delegates decided to wait until the results were published of a survey of religious education in more than 1,000 schools.

TUC backs bank pay-rise curbs

BY OUR LABOUR STAFF

THE TUC has supported arguments by the Department of Employment that "new responsibility" salary rises negotiated but not yet paid for Trustee Savings Bank managers are too high to be justified within present pay limits.

The National Union of Bank Employees had appealed to the TUC economic committee after failing to persuade the Department that the rises—ranging from £700 a year upwards—should be allowed.

It has since received a letter from the TUC which, said Mr. Leif Mills, NUBE general secretary, made it clear the TUC agreed with the Department.

Because the rises have been blocked, the union's TSB members have refused to take on extra work associated with the TSB's planned first venture last month into personal lending.

It had argued, along with the employers, that the rises had been agreed both in principle and in detail before the present pay policy began last August.

The Department's view is that the proposed rises appear disproportionate to the actual increase in responsibility that would fall on the 1,350 managers.

In major disputes over the pay policy's interpretation—notably that involving the seamen—the Department has taken a back seat and insisted that the policy is for the TUC economic committee to police. This time the process appears to have been reversed.

Leyland dispute over

A DISPUTE at British Leyland's bus and truck factories in Lancashire ended yesterday when 160 machine tool repairers decided to return to work after a week long strike over manning levels.

The company faces further trouble from 8,500 shop-floor workers, who decided yesterday to hold a one-day strike on January 10 and to impose an overtime ban in protest at a new sick pay scheme being introduced by Leyland.

'Backlash' over equal pay Act

SOME OF the actions taken by employers during implementation of the Equal Pay Act appeared designed to protect them from the full impact of *the legislation, according to* research by a team at the London School of Economics.

The action included changing mixed sex jobs into single sex ones, increasing the job content of men's work to justify different pay grades, and moving women into "unisex" pay scales, at the minimum level.

The team is conducting a three-year investigation into implementation of the Act, which came fully into force a year ago this week. Its initial findings are published in the January issue of Personnel Management.

A "male backlash" in the *form of attempts to restore differentials* and alter equalised bonus schemes is detected by the researchers. But, they say, the initial apathy of many women has now been overtaken by an *increased interest in equal pay*.

The team noticed greater willingness by trade unions to become involved in equal pay issues.

Pub protest

ABOUT 550 public houses and clubs in the Liverpool area could be closed to-day in protest *at the high number of assaults* on landlords over the Christmas period. New Year's Eve trade is normally one of the busiest. The closure decision was taken by a narrow majority of publicans at a *special meeting* yesterday.

OVERSEAS NEWS

Indonesia likely to undercut OPEC rise

BY OUR FOREIGN STAFF

INDONESIA is likely to limit the increase in the price of its crude oil to less than the 10 per cent. decided by the majority of members of the Organisation of Petroleum Exporting Countries (OPEC) and probably closer to the maximum of 5 per cent. insisted upon by Saudi Arabia and the United Arab Emirates.

This Asian producer, which is heavily orientated towards the Japanese market, is worried that its sales there may drop if it imposes the full increment agreed upon by 11 OPEC members at the Doha conference earlier in December, according to well-informed reports reaching London. They say that Indonesia could be the first other country to assist effectively Saudi Arabia's stated determination to hold down prices on the market.

Officials in Djakarta deny that Indonesia will follow the pricing policy set by Saudi Arabia and the UAE. But at the same time it is acknowledged there that the selling price of its lighter, 35 degree API gravity crude is high.

There is also concern that Japan will switch to other Middle East crudes. Apart from the cheaper rate offered by Saudi Arabia and the UAE, Iraq is expected to give discounts below 10 per cent. despite its vigorous denunciations of the two OPEC members for defying the majority.

Operating companies in Indonesia, which include Shell and Mobil, have held discussions with the Government this week-end, but the outcome has not yet been announced.

ENI, Iran oil deal optimism

SIG. RINALDO OSSOLA, the Italian Foreign Trade Minister, has been quoted in an interview as saying that he expects an agreement to be signed within the next two months between ENI, the Italian state oil corporation, and the Irania nOil Company, ment of a new joint company on a 50-50 basis between the two groups, writes our Rome Correspondent.

Italian gold stock revalued

By Dominick J. Coyle

ROME, Dec. 30.

THE VALUE of the Bank of Italy's gold reserves of just over 2,500 tonnes has been more than quadrupled in lire terms following a decision to-day by the Italian Cabinet to permit a revaluation of national gold stocks in line with international market prices.

Previously, gold reserves held by the Bank of Italy were valued under a decree law issued in January, 1960, and Sig. Gaetano Stammati, the Treasury Minister, told to-day's Cabinet meeting that such a measurement was now clearly inappropriate, given the subsequent abandoning of the gold parity by the International Monetary Fund and the introduction of a variable free market.

Two factors justified a sharp appreciation in the value of Italy's gold stocks, the Minister added. It was no longer realistic to talk of gold at some $42 an ounce (yesterday's free market price was $134), while the lira was not now 625 to the dollar, but 875 in a floating market.

Unofficial calculations here tonight value Italy's gold reserves following the adjustment at more than L9,000bn. (£6.5bn.) against somewhat less than L2,000bn. prior to the alteration.

To-day's decree law must be approved by Parliament early in the new year before the revaluation of the gold reserves takes de jure effect, and it is then intended that the Bank of Italy, under the approval of the Treasury Ministry, will adjust the value every three months in line with free market prices.

Pope will meet Communist

By Our Own Correspondent

ROME, Dec. 30.

A MEETING is expected to take place in the Vatican next week between Pope Paul and Prof. Carlo Giulio Argan, who was elected earlier this year as Mayor of Rome on the Communist Party ticket.

The Catholic Church had mounted a major campaign in the elections to "prevent the City of Popes falling into Communist hands," but the Vatican is now again demonstrating its capacity to deal with the realities of politics.

The Vatican is extremely sensitive about disclosing any details of next week's private audience, but it is understood that the initiative for the meeting came from Prof. Argan. And neither side is saying anything in advance of the meeting, but the Mayor may wish to discuss several aspects of Church relations with the city, including control of many educational establishments run by religious communities

Rhodesia reaffirms total hostility to British role

BY OUR OWN CORRESPONDENT

SALISBURY, Dec. 30.

THE Rhodesian Government to-day forcefully restated its total opposition to British participation in an interim administration here and accused Britain of being "patently out of touch with the realities of the situation" in Rhodesia.

The strongly worded reiteration of the Government's position, which came in the form of a ten-page background briefing issued by the Ministry of Foreign Affairs, was a sharp rebuff to Mr. Ivor Richard, chairman of the Rhodesia conference, who has just started a shuttle through southern Africa to break the deadlock between the Salisbury administration and its black Nationalist opponents.

Mr. Richard, who arrived in Lusaka to-day on the first leg of his mission, is carrying with him new suggestions for an interim, pre-independence Rhodesian Government and a British presence in this administration is central to his thinking.

However, the Foreign Ministry briefing states that Britain has "non-existent" credibility with the ruling Rhodesian Front and notes that Mr. Ian Smith, the Rhodesian Prime Minister, has "already made it clear that a British administrator in Rhodesia would be completely unacceptable."

The document also rejects the suggestion that British or Commonwealth officers could command the security forces during the transition period and says the idea that "the terrorists should be incorporated into the Government forces are more than fanciful."

[Mr. Richard said that a British role in Rhodesia would take the form of an "interim Commissioner or resident Commissioner." Reuter adds from Lusaka. He stressed that Britain "has no intention whatsoever of running Rhodesia during a transitional period. We have no interests in going back there as a colonial power." Informed political sources in Pretoria said later that Mr. Richard would arrive there on Sunday and meet South African Prime Minister John Vorster the next day at Mr. Vorster's seaside retreat near Port Elizabeth.]

The briefing released two days before Mr. Richard is due to arrive here from Zambia for talks with Mr. Smith, seems part of a sustained campaign to prepare white Rhodesians for rejection of any British involvement in an interim Government and the consequent collapse of the adjourned Rhodesia conference in Geneva.

The Foreign Ministry portrays Mr. Richard's shuttle as an attempt to produce a consensus between the presidents of Zambia, Tanzania, Mozambique and Botswana, together with South Africa, and present it to Rhodesia as a take it or leave it deal. It views the shuttle as a device to lay blame for any breakdown on the Rhodesian Government.

The document suggests that Britain has three policies from which to choose: to wash her hands of the whole affair, to "brave the inevitable storms in choosing one Black nationalist group and give its leader full and exclusive support," or to "acquiesce to whatever agreement the Rhodesian Government may be able to make with the more reasonable nationalists and moderate Blacks."

French ruling on direct elections

PARIS, Dec. 30.

FRANCE'S Constitutional Court ruled to-day that the election of the European Parliament by universal suffrage would not violate the French Constitution.

The ruling was another blow to the campaign against direct elections being waged by some Gaullists and the Communists, and opens the way for French parliamentary ratification of the EEC decision to elect the Community's Parliament by universal suffrage.

The 11-man court's ruling was immediately hailed by M. Valery Giscard d'Estaing, the French President. His spokesman said M. Giscard will seek ratification of the European accord on direct elections as soon as the French Parliament reconvenes in April. UPI

Consumer spending in U.S. steady

By Jurek Martin

WASHINGTON, Dec. 30.

A MIXED picture of consumer spending over the Christmas period has emerged from the latest statistics produced by the U.S. Government.

The figures are significant because of the impact they may have on President-elect Jimmy Carter's plans to stimulate the economy. Earlier this week Mr. Carter said he was encouraged, inter alia, by evidence of renewed consumer confidence, while yesterday the announcement of a 1 per cent. increase last month in the index of leading economic indicators seemed to suggest that the economy was emerging from its so-called "pause."

The Commerce Department figures show that in the week before Christmas Day last Saturday overall retail sales actually fell by a tiny fraction compared with the previous week. They had jumped sharply in the last part of November but have remained relatively flat since then. For the year as a whole retail sales were 11 per cent. up on last year, but with most of the gain accounted for in the first quarter and with the real advance being reduced by a nearly 6 per cent. inflation rate.

However, the Commerce Department reported that department store sales continued to do well in the run up to Christmas.

The major drag on the overall figures was the continued sluggishness of car sales. Excluding this factor, overall retail sales would have risen by 1 per cent. last week.

Yugoslavia increases defence spending

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

YUGOSLAVIA has voted a large increase in its defence budget because of what its Defence Minister, General Ljubicic, describes as continuing threats to its national security.

Although no details have been given, Tanjug, the Yugoslav news agency, reported that the overall Yugoslav budget is to go up by nearly 23 per cent., with defence one of the priorities. Last year the military budget accounted for 30.5bn. dinars (about £1bn.) or about 6 per cent. of total national revenue.

Gen. Ljubicic told the Yugoslav Assembly at its session last week that the new defence appropriation for the development and modernisation of the army would be a great burden for the whole of Yugoslav society, but that it was necessary because of the world military and economic situation.

He said: "The armed forces of nearly all our neighbours are in the process of further modernisation with the aim of increasing their capacity and effectiveness, and consolidating their total strength. Of the 108 military manoeuvres held in Europe this year, 47 were in our vicinity.

"Our country continues to be in an area of very delicate military-political trends," Gen. Ljubicic said, adding that all these developments posed threats to Yugoslav national security. He demanded further consolidation of Yugoslav military potential.

Gen. Ljubicic's remarks were reinforced by a statement from the Prime Minister, Mr. Bijedic, that the modernisation of the Yugoslav army was to be accelerated, and the capacity for the production of arms and military equipment expanded.

Albanian self-reliance

BY PAUL LENDVAI

VIENNA, Dec. 30.

THE ALBANIAN Parliament has approved a new constitution prohibiting co-operation deals with Western and Soviet bloc states and proclaiming a course of complete economic autarchy. The constitution also bars foreign troops and bases from Albanian soil and declares that no Albanian citizen can sign an agreement of capitulation before an enemy or recognise any occupation of the country.

The constitution was presented to Parliament by the Communist Party leader, Mr. Enver Hoxha, who sharply attacked what he called U.S. imperialism and Soviet revisionism and warned that Albanians would never forget the 1968 occupation of Czechoslovakia.

The speeches also confirmed a distinct cooling in relations with China. Mr. Hoxha and others failed to mention China, stressing that Albania would rely only on its own forces and resources. They stressed their rejection of any kind of outside interference.

LEGAL NOTICES

No. 004070 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FRANKIE PRINCE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of December 1976, presented to the said Court by B. BARLING & SONS LIMITED whose Registered Office is at P.O. Box 78a, Boundary Lane, Liverpool L69 1DT, in the County of Merseyside, Suppliers of Smokers requisites, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TROWER, STILL & KEELING,
5, New Square,
Lincoln's Inn,
London, W.C.2.
Ref: RGW/AJB.
Tel: 01-405 3878.
Agents for: C. E. JONES,
Bedminster, Bristol BS99 7JR.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of January 1977.

No. 004146 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CARL HENRY PHOTOGRAPHERS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of December, 1976, presented to the said Court by ROGER ANTHONY PATRICK KENNEDY of 32 Dryland Road, Snodland, Kent, Photographer, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 24th day of January, 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ELLIS PEIRS & YOUNG JACKSON,
17, Albemarle Street,
London W1X 4AA.
Tel.: 01-493 9077.
Ref.: L/SG/BW.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of January, 1977.

COMPANY NOTICES

BOUSTEAD LIMITED
(Registered in England No. 110665)

The Directors announce that with effect from 1st January, 1977 its own Share Registration Department will be closed, and that they have appointed as the Company's new Registrars:—

RAVENSBOURNE REGISTRATION SERVICES LIMITED,
Bourne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU.
Telephone: 01-650 4866.

to whom all future correspondence concerning share registration matters should be addressed.

This opportunity is also taken to announce that with effect from 1st January, 1977 the Registered Office of Boustead Limited will be at 14/15 Conduit Street London W1R 9TG

Wootton House,
Wootton,
Bedford, MK43 9HG
31st December 1976

G. R. SALTER, F.C.I.S.,
Secretary.

MALAKOFF BERHAD
(Registered in Malaya No. 2781/75)

The Directors of Malakoff Berhad announce that following the closure of the Share Registration Department of Boustead Limited on 31st December 1976 New Branch Registrars have been appointed in the United Kingdom from 1st January 1977 as follows:—

RAVENSBOURNE REGISTRATION SERVICES LIMITED,
Bourne House,
34 Beckenham Road
Beckenham, Kent BR3 4TU.
Telephone: 01-650 4866.

to whom all future correspondence for Malakoff Berhad should be addressed

Wootton House,
Wootton
Bedford
MK43 9HG
31st December, 1976.

For and on behalf of
Malakoff Berhad
Boustead Limited
Branch Registrars

BUKIT MERTAJAM RUBBER COMPANY LIMITED
(In Members' Voluntary Liquidation)

It is announced that following the resignation of Mr. G. R. Salter, F.C.I.S. as the Liquidators' U.K. Agent on 31st December, 1976 the Liquidators have appointed as their new agent in the United Kingdom the following Company, to whom all future correspondence should be addressed:—

RAVENSBOURNE REGISTRATION SERVICES LIMITED,
Bourne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU.
Telephone: 01-650 4866

c/o Coopers & Lybrand,
Hongkong Bank,
Medan Pasar Building,
Lebuh Pasar Besar,
Kuala Lumpur 01-23,
Malaysia
31st December, 1976.

N. L. PAYNE,
A. H. KENOUT,
N. M. AWIN,
(Joint Liquidators)

BEKOH HOLDINGS LIMITED
(Registered in England No. 168527)

The Directors announce that following the closure of the Share Registration Department of Boustead Limited on 31st December, 1976 New Registrars have been appointed from 1st January, 1977 to whom all future correspondence concerning the share registers and the offer dated 8th December, 1976 from the Kuala Sidim Rubber Company Berhad should be addressed. The new Registrars are as follows:—

RAVENSBOURNE REGISTRATION SERVICES LIMITED,
Bourne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU.
Telephone: 01-650 4866

Wootton House,
Wootton,
Bedford
MK43 9HG
31st December, 1976

For and on behalf of
Bekoh Holdings Limited
Boustead Limited
Secretaries.

SVENSKA HANDELSBANKEN

9½% US$ BOND LOAN 1976/86

Notice is hereby given that pursuant to paragraph 5 of the terms and conditions the first drawing by lot of bonds in the nominal amount of US$1,000,000 for redemption as per March 1, 1977, will be effected on January 18, 1977.

The numbers of the bonds drawn will be published on January 25, 1977.

Stockholm, December 1976 SVENSKA HANDELSBANKEN

JAPANESE PRE-WAR EXTERNAL STERLING BONDED DEBTS

The Bank of Tokyo Limited are authorised to announce that the permissions granted by the Bank of England relating to the import into the United Kingdom of Japanese Pre-War External Sterling Bonds for their presentation to the Bank of Tokyo Limited as Paying Agent for enfacement and other purposes, pursuant to the Japanese Government's Offer published in "The Times" on the 24th November 1952 and also relating to the export of such Bonds after their enfacement, are now valid until the 31st December 1977.

IMPERIAL JAPANESE GOVERNMENT 4% FRENCH FRANC LOAN OF 1910

The Bank of Tokyo Limited are authorised to announce that the permissions granted by the Bank of England relating to the import into the United Kingdom of Bonds of this Loan covered by the Notice of the Bank of Tokyo Limited published in "The Times" on the 28th February, 1957, and also relating to the re-export of Bonds lodged for acceptance under Part One of the Japanese Government's Offer published in "The Times" on the same date, are now valid until the 14th November, 1977, when the Loan will be fully prescribed

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED

14% DEBENTURE STOCK, 1993

Notice is hereby given that the REGISTERS of the CORPORATION'S above mentioned Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from 18th to 31st January 1977 both days inclusive.

BY Order of the Board
H. J. McTURK, Secretary.
48 Palmerston Place
Edinburgh EH12 5BR.
31st December, 1976.

IN the Supreme Court of Victoria—1976 No. Co. 9575—In the matter of the Companies Act 1961: and in the matter of Western Mining Corporation Limited.

NOTICE IS HEREBY GIVEN that on the 2nd day of December, 1976 The Honourable Mr. Justice Jenkinson ORDERED that the reduction of authorized capital and share premium account of Western Mining Corporation Limited, the registered office of which is situated at 459 Collins Street, Melbourne, resolved upon and proposed to be effected by the special resolution of the said Company which was duly passed on the 18th day of November, 1976 at an extraordinary general meeting of the said Company in the following words and figures, that is to say:

"That the authorized capital and the share premium account of the Company be reduced as follows:—

(1) the authorized capital of the Company be reduced—
From $300,000,000 divided into 600,000,000 shares of 50 cents each and consisting of—
(a) 188,655,996 issued and fully-paid ordinary shares of 50 cents each;
(b) 27,045,105 issued ordinary shares of 50 cents each paid to 25 cents each; and
(c) 384,298,899 unissued shares of 50 cents each
To $295,866,400 divided into 591,732,800 shares of 50 cents each and consisting of—
(a) 180,388,796 issued and fully paid ordinary shares of 50 cents each;
(b) 27,045,105 issued ordinary shares of 50 cents each paid to 25 cents each; and
(c) 384,298,899 unissued shares of 50 cents each
By cancelling and extinguishing all of the 8,267,200 issued and fully paid ordinary shares of 50 cents each in the capital of the Company which were registered in the name of Great Boulder Mines Limited on 1st November, 1976 and
(2) the Company's share premium account be reduced from $80,586,821 to $72,319,621 by cancelling $8,267,200 thereof."

be and the same is confirmed and DECLARED that the authorized capital of the said Company as altered by the said special resolution and confirmed by the said Order is $295,866,400 divided into 591,732,800 shares of 50 cents each of which 180,388,796 have been issued and are fully paid up and a further 27,045,105 of which have been issued and are paid up to 25 cents each and FURTHER DECLARED that the share premium account of the said Company as altered by the said special resolution and confirmed by the said Order is $72,319,621 AND FURTHER ORDERED that an office copy of the said Order be lodged with the Commissioner for Corporate Affairs within fourteen days of the making thereof and FURTHER ORDERED that notice of the said Order and of registration thereof by the Commissioner for Corporate Affairs (which registration was effected on the 14th day of December 1976) be published once in the Government Gazette, once in The Age newspaper and once in the London Financial Times newspaper in each case within twenty-one days of such lodgment.

BY ORDER OF THE BOARD
S. K. Larsen
Secretary.

LEGAL NOTICES

No. 003931 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of NOMINITE LIMITED and In the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by The High Court of Justice was on the 16th day November 1976 presented to the said Court by Drayton Corporation Limited of 114 Old Broad Street, London EC2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 24th day of January, 1977 and any creditor or contributor of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ASHURST, MORRIS, CRISP & CO.
17, Throgmorton Avenue,
London EC2N 2DD.
Solicitors for the Petitioning Creditor.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or if posted must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of January 1977.

No. 004178 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TWINEGREEN LIMITED, and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 16th day of December 1976, presented to the said Court by HERMAN LEITNER of 44 Taylor Avenue, Kew, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of January 1977, and any Creditor or Contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the said Petition will be furnished by the undersigned to any Creditor or Contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FISHBURN BOXER & CO.,
74 Wimpole Street,
London W1M 7DD.
Ref: FJP/RE.
Tel: 01-935 9114.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of January 1977.

OVERSEAS NEWS

Sadat proposes Palestinian state linked to Jordan

BY JUREK MARTIN

WASHINGTON, Dec. 30.

PRESIDENT SADAT of Egypt has formally proposed that any Palestinian state created as a result of a Middle East settlement should be politically associated with Jordan.

In an interview with the Washington Post published to-day, the Egyptian Head of State also asserted that Israeli withdrawal from the territories occupied in 1967 must be swift and not phased over an extended period of time. This is seen as confirmation that he and other Arab leaders now reject the gradualist "step-by-step" policy previously pursued by Dr. Henry Kissinger, the out-going U.S. Secretary of State, in his mediation policy.

The mainstream of the Palestinian resistance movement led by Mr. Yassir Arafat would view any enforced link with the Hashemite Kingdom, which crushed its military presence in Jordan in 1970-71, with deep misgivings. To the "Rejection Front" and its allies—Iraq and Libya—it would be complete anathema.

Undoubtedly President Sadat's intention is to reassure Israel that, as part of a settlement, the Palestine Liberation Organisation would be brought under a measure of control. As it is, however, he must have muddied the waters of a settlement by also proposing in the interview that the Lebanon be fully represented at a Geneva Conference as "an equal partner," arguing that it had become a "confrontation state" since its occupation by Syria and could not be excluded from the negotiations.

Both the U.S. and Israel have called for a resumption of the Geneva Conference with the original 1973 participants—themselves, Egypt, Jordan, Syria and the Soviet Union. It has been assumed that the Palestinians would be represented in some form, either through the Palestinian Liberation Organisation or as members of some unified Arab delegation. President Sadat did not explain how this would be affected if Lebanon was included as a separate entity.

The Egyptian leader said that the creation of a "unified political command" between the two countries was designed to show that "Arab solidarity is very solid," but he did not assert that President Assad shared his proposals for a peace settlement.

Our Jerusalem Correspondent writes: The first official reaction here to President Sadat's interview in this morning's Washington Post came to-night from Israeli Foreign Minister Yigal Allon. "If President Sadat has indeed withdrawn his backing for a third state between Israel and Jordan and supports a solution of the Palestinian problem in a Jordanian context, then this is a positive development in Egypt's stance though other things stated by Sadat in the same interview reveal rigidity in the Egyptian position which could encumber genuine peace efforts," the Foreign Minister declared.

After a year of intense activity, the UN Security Council now faces...

Major changes in the guard

BY OUR UNITED NATIONS CORRESPONDENT

A NOTABLE feature of 1976 in the United Nations was the re-emergence of the Security Council as an important political force. It held an average of a meeting every two days, if you include the frequent "informal consultations" between all the members, held in private.

You have to go back to the bitterest period of the Cold War to find a year with as much activity. In the dying days of 1976 yet another item was proposed for the agenda: Botswana asked on December 23 for an urgent Council meeting to consider allegations that Rhodesia had committed aggression, subversion, murder, arson, and kidnapping, "a serious violation of the sovereignty and territorial integrity" of Botswana.

The 15-nation Council is expected to take this question some time after January 6. Also waiting are other southern African questions, to which the Council's attention was formally drawn by the General Assembly, now in recess until late spring. These include the Swedish proposal of controls on new investments in South Africa, another call for a mandatory arms embargo against South Africa, and the proposed expansion of the present sanctions order against Rhodesia.

A timetable for handling these potentially explosive issues will be drafted early in the new year. One idea being canvassed is to have a series of Council meetings on southern African problems in an African capital. Port Louis, capital of Mauritius and site of the last summit of the Organisation of African Unity, and Maputo, capital of Mozambique—already chosen for a major UN conference in April—have been mentioned as possible locations.

For the first time anyone can recall, four of the five permanent member states of the Security Council are going through a changing of the guard as the UN enters the new year. M. Jacques Leprette has already taken over from M. Louis de Guiringaud, now the Foreign Minister, as permanent representative of France. Coinciding with the Soviet presidency of the Council in January, Mr. Oleg Troyanovsky, succeeds Mr. Yakov Malik, now returned to Kremlin duty as a Deputy Foreign Minister.

Mr. Andrew Young, the Democratic congressman from Georgia who was instrumental in delivering much of the black vote that helped President-elect Jimmy Carter to victory in November, is the nominee of the new U.S. administration for the UN post, which carries cabinet rank.

Britain's permanent representative, Mr. Ivor Richard, has been more often away from New York than attending to his UN job since he was appointed last October to preside over the Rhodesia conference at Geneva. Inevitably, there is speculation that he too may have to be replaced in the UN.

Mr. Young's appointment as the first black American chief delegate has raised the hopes of Third World members that the Carter administration will be more sympathetic than any U.S. government since the UN was founded where racial and colonial questions are concerned. The appointee himself told a Press conference in Mr. Carter's presence that his primary concern would be the pursuit of majority rule in southern Africa. Yet many experienced Western diplomats seriously doubt that the U.S. attitude towards these matters will shift much from that of the past year, during which Dr. Henry Kissinger switched his shuttle diplomacy from the Middle East to southern Africa.

Mr. Young's statement that he does not read speeches—meaning he does not wish to be just a UN spokesman for the new Secretary of State, Mr. Cyrus Vance—has been taken with a big pinch of salt. People in the UN with knowledge of both the U.S. mission and the State Department foresee Mr. Young suffering frustration if he believes that he can be his own man in the UN.

The new Russian, Mr. Troyanovsky, is a horse of a different colour from his predecessor, the dour, easily-angered Mr. Malik. Many Western officials believe the change spells no good for the Atlantic alliance. Educated in the U.S., where his father was the first Soviet ambassador, Mr. Troyanovsky is said to be totally Westernised, fluent in American idioms, a lover of the good life, an amusing host—in short, a diplomatic charmer. His targets in the UN will certainly be the Third World delegations, where the Chinese have made inroads. American and Western European diplomats acknowledge that Mr. Troyanovsky has all the attributes of a formidable foe.

His appointment to the UN, shortly before the announcement that the Soviet President, Mr. Nikolai Podgorny, would visit southern Africa — presumably with Mr. Malik, now in charge of African affairs in his entourage—may mark the start of a new Kremlin push against the West in that region, with the UN as a focal point of this offensive.

So far there has been no hint about Mr. Huang Hua's successor. Perhaps the convulsions now surrounding the case of the Gang of Four may result in a delay in the appointment.

IN A NEW year message the secretary-general of the United Nations, Dr. Kurt Waldheim, yesterday took an optimistic view of the world situation, saying that there was a "spirit of realism" abroad and evident desire for reasonable and peaceful solutions, Our UN Correspondent writes.

But he also warned that unless there was urgent progress on some of the most difficult questions—he mentioned southern Africa, the Middle East, and the economic difficulties of the developing countries—frustration and bitterness could lead to confrontation or even conflict.

Dr. Waldheim, who is expected to visit the Middle East capitals early in the new year in his continuing efforts to get peace talks going again at Geneva, said that it appeared that there was a more favourable climate for a serious attempt to resume the negotiating process.

Dr. Waldheim, who on Saturday begins his second five-year terms as Secretary-General, said that there had been no major breakthrough as far as economic problems were concerned in 1976, and it was essential that the new year should see intensive and determined efforts to resume the momentum of the North-South dialogue.

Ethiopian Derg changes

BY JAMES BUXTON

MORE THAN two years after it came to power, the Derg, Ethiopia's ruling military council, has finally formed itself into a three-tier body in an effort to become more efficient and stable.

Since it deposed the Emperor Haile Selassie in September, 1974, it has been notorious for its unwieldiness and its deep divisions, which have in recent months led to violence and the deaths of some of its members.

Originally consisting of about 120 members, all drawn from the armed forces, the Derg now has about 60. Although it is divided into committees there has not hitherto been a small universally acknowledged inner cabinet to implement decisions. Although the Derg's chairman, Brig. Teferi Bante, and his two vice-chairmen, Major Mengistu Haile Mariam and Lt.-Col. Adnafu Abate, have held their posts since late in 1974, their relative strengths have fluctuated widely.

According to an announcement in Addis Ababa late on Wednesday, the Derg is now to be transformed into a general assembly, passing its recommendations to a 40-man central committee, which will in turn instruct a 17-man executive committee. The chairman appears to gain more power as he will preside over all three councils and supervise defence.

The first vice-chairman, now Major Mengistu, will be responsible for the civilian council of ministers. The general assembly will now elect the chairman and vice-chairmen, as well as the members of the other bodies.

But there was no mention in the announcement of the names of the chairman and vice-chairmen, nor was there any hint that the Derg was preparing to give up power to a more representative body, as was foreshadowed last April when the programme of a "national democratic revolution" aiming at the establishment of a People's Democratic Republic was announced.

Improved Singapore growth rate

By Our Own Correspondent

SINGAPORE, Dec. 30.

SINGAPORE recorded a real economic growth rate of slightly over 7 per cent. during the first nine months of this year, it was disclosed by the Monetary Authority of Singapore (MAS) in its third quarter report.

This growth rate, the MAS also stated, is expected to be maintained during the final quarter of 1976.

Reviewing the third quarter economic performance, the MAS noted that there was a marked improvement over the second quarter, particularly in the manufacturing and external trade sectors.

Elf may limit Irish offshore oil exploration

By Giles Merritt

DUBLIN, Dec. 30.

ELF-AQUITAINE, the French state-owned oil major, is reportedly curtailing its 1977 Irish offshore exploration programme. Elf is leader of a consortium that groups three Irish concerns, Kenmare Oil, Ergas and Nitrigin Eireann, and Sunningdale Oil of Canada.

A 250-square kilometre exploration block in the Porcupine Trough, 90 miles off the Clare coast on the west of Ireland, had been reserved for Elf by the Department of Industry and Commerce. But it is now understood that Elf will not be taking up its exploration concession there following its evaluation of seismic studies.

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FRIDAY, DECEMBER 31, 1976

Clough at the New Year

ARTHUR HUGH CLOUGH was a Victorian poet who is remembered nowadays only for two pieces of verse. The one is a satirical version of the Ten Commandments ("Thou shalt not kill but need'st not strive officiously to keep alive") which probably seemed very shocking at the time. The other was quoted by Winston Churchill in a broadcast at a critical moment of the last war: and, since the New Year is customarily a time for being hopeful, has some immediate relevance. The first verse goes:

"Say not the struggle naught availeth,
The labour and the wounds are vain,
The enemy faints not, nor faileth,
And as things have been, things remain."

This is, in fact, a pretty accurate description of what much of the business and professional sections of the community are feeling at the end of 1976. The fact that there has been almost a qualitative change for the worse in their prevailing mood is partly due to sheer disillusion, which anyone can understand who compares Mr. Healey's latest New Year message with its predecessor. Monetary mismanagement at home and a disappointing growth of world trade have frustrated the economic upturn hoped for; while wage restraint, inflation and progressive taxation together have continued to grind down the living standards of the middle classes.

Stagflation

"*If hopes were dupes*," Clough goes on, "*fears may be liars*": and so, of course, they may be. But the fall in interest rates and the improvement in the balance of payments to which we can probably look forward will both be mainly by-products of recession. Economic growth, even on official forecasts, will be negligibly small in 1977 and unemployment will continue to rise, while prices in the last quarter of the year will still be 15 per cent. up on twelve months before. Average living standards will fall more noticeably, especially among the middle classes: the comrades, as Clough put it more presciently than he knew, "*chase e'en now the fliers.*"

The disillusion is political as well as economic. Nobody doubts that this country needs industrial regeneration, heavily populated as it is and greatly dependent on the world outside. Our slow relative decline may be reaching the point where we are not only unable to maintain living standards and public services that have come to be taken for granted but unable to invest enough in the future to prevent an acceleration of decline. North Sea oil is an unrepeatable opportunity to spend a few years in reversing this long-established process; but there seems little reason at present to suppose that it will be properly seized.

Social cohesion

We have a Government without an overall majority, composed mainly of tired men who often seem to have no purpose but that of remaining in power, to whom the North Sea is no more than a possible election-winner and devolution a means of keeping Parliament occupied during the uncomfortable months ahead. They are pushed constantly, even against their own better judgment, into buying TUC support with a danegeld of legislation that is either irrelevant to our problems or positively pernicious, while they are uneasily aware of younger colleagues on the Left who do not resign but wait patiently in the wings for their turn.

The two most obvious reasons for hope in the New Year are external—the Saudi restraint on oil prices, and the apparent readiness of new governments in the U.S., Germany and Japan to aim at faster growth. Far and away the greatest contribution that the Chancellor himself can make is to cut sharply in his spring Budget the level of direct tax on lower and higher earned incomes. Such a cut is probably now urgently needed not only to revive the economy but to maintain social cohesion. Without it, an increasing number of people will act on the last lines of Clough's poem, which seem less full than they were, in Churchill's mouth, of hope:

"But not by eastern windows only,
When daylight comes, comes in the light,
In front the sun climbs slow, how slowly!
But westward, look, the land is bright!"

1977 PROJECTION ▷ The U.K. Economy

Case for tax adjustments grows stronger

BY J. S. FLEMMING, Nuffield College, Oxford

THE CHANCELLOR'S measures of December 15 did little to transform the prospects for 1977. His speech does, however, provide a new official forecast and some clues as to the structure of the April Budget.

On the four key macro-economic variables—output, employment, the balance of payments, and the price level—the forecasts now seem fairly realistic. The 6 per cent. growth of real GDP postulated in the spring public expenditure White Paper was never realistic: the present 2 per cent. should be met. The Chancellor also forecasts a slight rise in unemployment. Argument about this (of which more below) turns less on the forecast, than on the need for deflation on this scale and the possibilities of raising employment without increasing aggregate demand. The current account external deficit should certainly fall, as forecast, and North Sea oil does indeed hold promise of a large surplus in 1978-79.

The price forecast is for little change in the inflation rate. While most Ministers have recently avoided making statements about the rate for more than six months ahead, their previous predictions having been falsified, the Chancellor continues to assert that the inflation rate will fall off in the second half of 1977. Given the price jump in the second half of 1976 he may well be right about the increase of prices over the previous year.

The Chancellor is clearly very conscious of some of these problems; his confidence may be based on a determination to ameliorate them by raising tax thresholds in April. For the present he has suggested making this conditional on a further round of pay restraint. Mr. Len Murray's response was not encouraging.

The unions seem to feel that they have done their bit by allowing personal disposable incomes to fall by nearly 5 per cent. from their level of two years ago. Having done their bit, positive growth in real disposable earnings is likely to be the only possible basis for a pre-Budget deal. However, with prices rising at 15 per cent. over the last 12 months, while devaluation raised the price of imported raw materials by over 25 per cent., and with a record of unmet targets for inflation to come down to single figures, it is hard to see how a pay norm of as little as 10 per cent. for 1977-78 could be agreed without tax adjustments making a major contribution.

Before turning to the scope for tax adjustment it may be worth examining some aspects of the unions' claim. As the table shows, Real Personal Disposable Income, Real Employment Income per employee, and Real Weekly Earnings each fell by about 5 per cent. between the first and second quarters of 1975. However, the last two both stood higher in the third quarter of 1975 than at the same time in 1974. Only real personal disposable income has stayed low, and that owes more to an unindexed tax system and the squeeze on non-labour incomes (which are in any case overstated by the failure to adjust for inflation) than to union restraint. Moreover, the falls took place before the July measures of 1975. In fact hourly rates, which are most closely controlled by unions, fell by only just over 1 per cent. in real terms at that time and have since resumed their upward trend (although the very latest figures show another fall).

Thus, while higher taxes, shorter hours, and more unemployment have undoubtedly reduced many families' real incomes, it is hard to see the unions' voluntary contribution to this not very happy state of affairs. If the point is that they could have made trouble on these scores, although unemployment reduces their bargaining position, it seems a weak basis for extracting a *quid pro quo*.

Indeed, if one studies the cumulative divergence between real hourly wage rates and equilibrium real wages after adjusting for the terms of trade and an underlying productivity trend of 3 per cent. a year it appears that the wage problem was just as bad in the third quarter of 1976 as at the beginning of 1975. In some respects it is actually worse as the second phase of the pay-policy has continued much of the redistributive, differential-narrowing, character of the flat £6. This has implications not only for employment and the relative competitiveness of different industries, but also for the proportion of those in employment whose incomes exceed the tax threshold.

The point can be made that in relation to the retail price index the tax threshold has been adjusted fairly fully over most of the last decade or so. However, this comparison is incomplete for three reasons: first, average real earnings have grown (and with them social benefits), and this "real fiscal drag" has reduced the threshold in relation to average earnings by 25 per cent. since the early 1960s. Second, since the threshold is lower than average earnings, the narrowing of differentials would raise the proportion of people above the threshold even if the latter were indexed to average earnings. In 1970 a man with half of average earnings would have been near to the bottom 10 per cent. of the earnings distribution. Now this would probably be true with about two-thirds of average earnings. Thirdly, Mr. Roy Jenkins when Chancellor abolished the reduced rate of income tax so that to-day anybody over the threshold pays at least 35 per cent. at the margin.

The implication is that a man on two-thirds average earnings and paying tax gets little if anything more than social security benefits, even though he would not qualify for the earnings related supplement if he lost his job. The net benefit—net wage ratio, which is about 70 per cent. for a man on average earnings with a wife and two children, actually rises for lower incomes, in spite of the loss of earnings related supplement, as long as the claimant does not drop below the tax threshold (that is as long as his earnings are not too low—his unemployment too long).

There is reason to believe that it is these considerations, as much as the need for a deal with the unions (or his concern for middle managers), which account for Mr. Healey's expressed desire to reduce the burden of income tax and to do so, almost certainly by raising the tax threshold through personal allowances. What these problems point to is the need to use a single index for the adjustment of both social benefits and tax brackets. The case for linking the former to earnings is strong, and the same should be used for taxes. The problem of 1977 will be to find alternative revenue, or to cut expenditure on the substantial scale involved (of the order of £2bn.).

One widely canvassed option is to switch from direct to indirect taxation, moving the balance of British taxation towards the continental pattern. Apart from the automatic indexation of *ad valorem* duties and the implicit taxation of social benefits (even if they are raised somewhat, a reduction of income tax will re-open the gap between net wages and net benefits as long as the latter are linked to gross pay), there is little to be said for such a switch. Even if it were desirable in the long run its impact on the Retail Price Index would ruin any chance of getting inflation down to 10 per cent. unless attention were first directed to another index. The impact on the RPI would also be likely to affect wages as a result of effects upon price expectations, and this would raise inflation, however measured.

The 2 per cent. payroll tax just introduced is very similar to a 2 per cent. VAT on all items including food and charities. It is slightly worse for employment and in the short run slightly better for retail prices.

Given the pressures on the Chancellor to raise the income-tax threshold and his difficulties in cutting public expenditure even for that popular purpose, it is certainly too much to hope that the 8 per cent. gap between actual and equilibrium real wages could be met by a generalised temporary employment subsidy which could cost as much as £1bn. in 1977. However, there are two possibilities which might contribute to the restoration of full employment despite the Chancellor's gloom on this score.

A temporary employment subsidy payable not for all workers but for the number employed by each business in excess of, say, 80 per cent. of those registered in 1976 would be very much cheaper — it would do less to restore profits — but would have the same effect at the margin on decisions to hire and fire. (Such a scheme has been proposed by Richard Layard and Steve Nickell of the London School of Economics.)

Looking at the table it would also appear that an improvement in the terms of trade by the 10 per cent. recently forecast for 1977 by the National Institute would narrow the gap by 2½ per cent., which should be good for employment prospects. Unfortunately the 10 per cent. figure is not quite what it seems. The Institute expects world prices of non-oil commodity commodities to rise 2 per cent. less than the world price of manufactures: oil, of which we will still be a net importer in 1977, would reduce this gap if its price rose by OPEC's 10 per cent. rather than Saudi Arabia's 5 per cent. The Institute's 10 per cent. comes from its use of 1970 prices as a reference point; the reduction in the *volume* of net oil imports between 1976 and 1977 then shows up as a spurious 4 per cent. fall in import *prices* which is magnified by its assumed effect of stabilising the exchange rate. Thus apart from the *direct* world price effect of not more than 2 per cent., all the rest is due to the oil boost to the balance of payments.

As far as industrial employment is concerned, this is very much a mixed blessing, for it would enable the Government to maintain, in the interests of pride and prices, an overvalued exchange rate and thereby to reduce the competitiveness of British exports while oil production itself is unlikely to offer much employment. Oil revenue at given prices does not improve *the terms of trade; if one* wanted an analogy one could think of the post-1919 German reparations which, on Keynes' analysis, contributed to the unemployment of the 1920s.

It is possible that sterling is at present undervalued by as much as 5 per cent. but this will disappear as a result of prospective relative labour cost increases — if the current exchange rate is held for a year, and it is difficult to contemplate the rise forecast by the National Institute for the next 18 months without some concern for its export and employment implications. If oil revenue is used to support the exchange rate, at least a part of it should also be used for a temporary employment subsidy of the type discussed above.

Thus the prospect for 1977, and beyond, is not quite the simple "light at the end of a difficult transitional tunnel" presented by the *Chancellor*. Both the length of the tunnel and the brightness of the light are still uncertain. Uncertainty, like inflation, can be lived with, and the effects of both can be mitigated by indexation not only of tax structures, but also of other contracts, especially loans for the industrial investment the Chancellor is keen to induce. I wonder whether 1977 will see any progress on this front? I suspect that only a little clarification by the authorities of the ground rules (without special tax privileges) would be necessary for some very interesting experimental issues to be made by the private sector.

REAL INCOMES, EARNINGS AND WAGES

1970=100		Real Personal Disposable Income (1)	Real Employment Income per Employee (2)	Average Real Weekly Earnings (3)	Average Real Hourly Wage Rates (4)	Terms of Trade Adjustment (5)*	Productivity Trend Adjustment (6)†	Adjusted Productivity (7)‡	Excess Real Wage (8)§
1974	III	119.7	118.0	116.3	121.3	−5.50	+ 4.50	112.30	8.0
	IV	121.8	122.9	120.2	123.6	−5.25	+ 5.25	113.30	9.1
1975	I	120.6	125.4	118.6	124.2	−5.00	+ 6.00	114.30	8.7
	II	114.7	119.9	113.1	122.7	−4.25	+ 6.75	115.80	6.0
	III	115.4	122.0	116.4	124.8	−3.75	+ 7.50	117.30	6.4
	IV	114.5	120.7	117.1	125.1	−4.00	+ 8.25	117.55	6.4
1976	I	115.4	120.8	117.0	129.2	−4.00	+ 9.00	118.30	9.2
	II	113.9	122.3	116.0	129.5	−4.25	+ 9.75	118.80	9.0
	III				129.9	−4.25	+10.50	119.55	8.7

NOTES: "Real" indicates deflation by the RPI.
* The adjustment is a quarter of the deterioration of the terms of trade since the first quarter of 1973.
† It is assumed that an underlying productivity trend of 3% per annum has continued throughout.
‡ The adjustments at (5) and (6) are applied to the productivity level of the first quarter of 1973 (which was 113.30).
§ ((4)−(7))÷(7).
Source: National Institute Economic Review

Letters to the Editor

Trustee status

From Mr. D. Lewis

Sir, — It is becoming fairly frequent to observe companies announcing the payment of a nominal dividend in order to "preserve trustee status." This surely is a practice which is entirely against the concept of laying down guidelines for the benefit of trustees so that when they invest in companies they may be reasonably assured that they are unlikely to be misled into companies of doubtful stature.

The requirement for the payment of dividends for a continuous period was plainly designed to guide trustees towards companies with a steady record. If a company has made a loss or has produced very poor results, it is quite contrary to the intention of the Trustee Act for the declaration of a nominal dividend purely to stay within the provisions of the Act and appears to defeat the objective laid down quite properly at the time.

It is submitted that an urgent revision is required to these provisions in the regulations concerning trustee status of companies so that, for example, there should be certain minimum provisions as to the cover for the declaration of any dividend out of the actual year's earnings or possibly some proviso as to the maximum percentage reduction from the previous year's dividend or possibly the average of a number of recent year's dividends. For example, the reduction of a dividend by anything in excess of 75 per cent. from the previous year's declaration should be a realistic limitation above which trustee status would be lost.

The position of trustees as regards investment in equity shares is a difficult one and this practice of declaration of nominal dividends in order to escape the clear intention of the provisions in the Act should be stopped. Comments would be most appreciated from the accountancy profession and the City in order that suggestions may be made to the relevant Government department.

D. J. Lewis.
76, Gloucester Place, W.1.

Signal

From Mr. A. Reeve.

Sir,—One measure proposed by the Government to reduce its spending deficit is the sale of a large part of its holding in British Petroleum. May I offer two comments?

The state does not have many successful investments in its rag, tag, and bobtail portfolio but BP must certainly be one of them. Having doubled its profits over the last four years, and with its extensive North Sea and Alaskan developments near the point of producing substantial income, is the pending sale of a large slice of BP a triumph for short-term expediency over the longer-term interests of the nation?

One has observed in the past profitable sections of a business being sold off in order to fund revenue deficits elsewhere. Such avoidance of unpleasant but necessary action is frequently a signal to percipient shareholders or bankers that bankruptcy is just around the corner. I wonder what the holders of sterling balances think?

A. J. Reeve.
The Bell House,
Stapleham, Taunton,
Somerset.

Economics

From the Chairman,
Productivity Consulting Services (Edinburgh).

Sir,—It is difficult for the average industrial manager to avoid feeling a little like the character portrayed by Mr. Harry Worth, as he attempts to keep up with economic commentary.

"Ah, domestic credit expansion, yes I'll remember that. And what a good idea that the level of unemployment will be set by the level of wages in relation to output—I don't remember anyone saying that just recently, but how splendid. So, if we can get output up, wages can go up without unemployment going up? I wonder. Someone was saying the other day that the thing to do was to generate more added value in the economy so that everyone could share it. I went to a supper meeting recently where a company was saying that it had agreed with its employees how much share of the company's added value they could have, so that if they created more added value they could pay themselves more wages. They all seemed jolly pleased about it. They got the scheme in between incomes policies. I suppose creating and sharing added value is too simple an idea but it would be rather good if we could get a lot of people doing it. Oh dear, it is *rather confusing*. We are now told quite plainly that we must increase productivity but that if we try to pay people more for doing so, it will lead to abuse. But there's a chap down the road paying his blokes more overtime than they need. If you look at the gross weekly wages figures and output, it makes you wonder how watertight Stages 1 and 2 have been for some folk. I *would have thought a bit of* abuse as the price of getting something for something instead of the nothing for something we have had up to now, might be worth it. Oh dear, I didn't really intend to make a pun."

Alan G. Thompson.
2(b), Wake Green Road,
Birmingham 13.

News

From Lord Brown

Sir,—You have been good enough to publish two of my recent letters commenting on the poor image given to industry by the media. I hope you can publish this further evidence.

In November the Department of Employment briefed the media on its findings that in the period 1971-73 (our worst strike period) 96 per cent. of our plants had no strikes. Dramatic news indeed—especially so, as it ran contrary to the general impression created by the media. Surely the stuff of front page headlines. But no! The popular dailies generally treated it as second-rate news on inside pages. If 50 per cent. of plants were shown to have had strikes it would have made front-page headlines. One mass circulation daily failed to make any report at all, but later gave prominence to the story that the workers cup of tea was the reason why Britain lost so many contracts!

Much of the media simply fails to realise the damage they do to industry and equally how they could help by more balanced treatment of industrial news.

Brown.
23, Prince Albert Road N.W.1.

Consultants

From Mr. P. Smith

Sir,—Can one be permitted a slight smile of irony to read (December 14) that National Carriers has cut its loss from £10m. per annum to £5m. per annum and the following day read that The National Freight Corporation has won a consultancy contract for the largest cold storage warehousing complex in the Middle East.

Were the independent consultants, who are being squeezed by such actions, so subsidised from the national purse, just think of the contracts they could win!

Peter Smith.
White Gables, 18, Abbots Road,
Abbots Langley, Watford.

Funds

From the Secretary-General,
The Building Societies Association.

Sir,—Mr. Kaufmann queries (December 21) the building society argument that "the only way to improve the inflow is to offer interest rates comparable with the types of investment open to the private citizen." He suggests, in fact, that people may simply not be able to save in present circumstances; indeed, that the pre-Budget spending spree may be repeated next April.

The flaw in this argument is that a high proportion of building society capital is held by substantial investors who are keenly sensitive to competitive yields. It is mainly these people who cause the big ebb and flow of net receipts. The total amount invested with building societies is now some £26bn. and a figure of this magnitude has certainly not come in from the relatively "small" saver. In the long run, the interest rate weapon is the only one left to societies in order to maintain their competitive position and attract the funds needed to sustain the housing market.

Mr. Kaufmann also suggests that, even if the building society argument were correct, the societies would simply accumulate funds because "no new borrowers will come along anyway at the high rates." There is no evidence to support this contention and in the past increased mortgage rates have only had a marginal effect on the demand for home loans. Even at a nominal interest rate of (say) 13½ per cent., a borrower under the Option Scheme could have his mortgage written by the building society at 8.90 per cent. This is cheap money in the financial context of the times.

Norman Griggs.
14, Park Street,
Mayfair, W.1.

Conflict

From The Director General,
Engineering Employers' Federation.

Sir,—If the article by Bill Roche (December 17), a leading Leyland shop steward, truly represents shop floor attitudes, then it is very depressing indeed.

His recipe for success boils down to giving more money to the workers, more power to the trade unions, and less influence to management. Not once does he acknowledge that any of the problems of British Leyland are caused by unions or workers: the blame is put wholly on the management. While praising the unions and the workers for their "restraint" during the social contract, he forgets that managers have been called upon to make far greater sacrifices. He accepts neither the criticisms from MPs on the motor industry's performance nor the Think Tank report which is said to show "grossly unfair comparisons with European and other competitors." Strikes, overmanning, and restrictive practices predictably receive no mention at all.

Your readers will not need me to draw their attention to this biased, one-sided approach, but they may feel inclined to agree that it is high time that leading trade union figures recognised that they have a duty—in their own and the national interest—to be more statesmanlike and less *irresponsible* in their criticisms. Had a Leyland manager published such a biased article attacking unions and the work force there would be cries of righteous indignation from Mr. Roche and his friends. Improved industrial relations must surely depend on greater co-operation. Statements which increase bitterness and conflict cannot help.

Anthony Frodsham.
Broadway House,
Tothill Street, S.W.1.

Presents

From Mr. D. Day.

Sir,—Knitted goods from Taiwan, Japan and Italy; garden tools from Germany; music stands from Japan. This Christmas I have been staggered at the difficulty of buying British-made presents.

For years I have hoped that our politicians would take the lead in pointing out that the balance of payments depends on the sum of our individual buying decisions. The task of education would take years. I therefore suggest that to achieve rapid results we need to put pressure on importers and retailers. If companies had to publish the proportion of their turnover due to imports it would be possible to devise a system based on the principle zero imports zero profits tax, 100 per cent. imports 100 per cent profits tax.

David H. Day,
Ganfield,
Bucklebury Alley,
Cold Ash, Newbury.

1977 PROJECTION ▷ The American Economy

New President, new hopefulness

BY Professor PAUL A. SAMUELSON, Massachusetts Institute of Technology

PRESIDENT-ELECT Carter and a new economic team are preparing their strategy for handling the American economy. The outlook, I think, is hopeful: hopeful for the U.S., and hopeful for recovery in the rest of the world.

Dr. Charles Schultze was a superb choice for chairman of the Council of Economic Advisors. He earned his spurs in the great days of the Kennedy administration. President Johnson made him Director of the Office of Management and Budget, a rare honour for an academic economist and one that he carried with distinction. As a resident expert at Brookings Institution, Dr. Schultze served as a critic of Government expenditure activity. His annual evaluations were accorded primary importance by people both in Government and outside. No one is better trained for the job than Schultze.

Mr. Michael Blumenthal became Secretary of the Treasury after gaining esteem as the successful head of the giant Bendix Corporation. But unlike so many businessmen who have muddled the Treasury, he also has had advanced training in economics at Princeton University. His negotiating skills in the Kennedy Round of tariff reductions made him the *favourite* candidate for the Treasury post of the "liberals" in the Democratic Party.

When the Republicans are in the White House, acceptable experts are so hard to identify and attract to Washington that the nation must perforce make do with a skeleton crew of inexperienced cabinet and sub-cabinet officials. Mr. Carter's task of recruitment has been made an easier one: below the top spots there is a cadre of able, motivated, and respected policy people. To name just one person, Mr. Richard Cooper of Yale (tipped for an undersecretaryship) understands and sympathises with the economic problems of countries abroad—developed and undeveloped. It is good that he is willing to take a more active role for Mr. Carter than he was willing to do for Henry Kissinger.

Downbeat

The mettle of the new team will be tried by the economic problems that now beset us. The U.S. economy seems to be ending 1976 on something of a downbeat. If Mr. Ford had won the election, or if this were 1959 with General Eisenhower in the White House, the decelerating inputs now being fed into my mind's computer would result in my having to predict another recession by the end of 1977. None the less, the odds are better than 2:1 in my view that the U.S. will not begin a recession in 1977. More important, the odds are at least 3:2 that the new Carter team will be able to avoid even a growth recession in 1977.

In a sense President-elect Carter is a lucky man. The situation is bad enough that he seems needed. But the situation is not so bad as to be beyond his capabilities and feasibilities. Wall Street at first did not take my comfortable view of the Ford defeat, and share prices fell a bit in *disappointment at the outcome*. But Wall Street cannot afford wishful thinking for very long. Signs are beginning to show that people in the market are finding it somewhat reassuring that the new administration is prepared to do something about any developing weakness in the economy. Already, that reassurance *seems to be imparting* some significant strength to the year's final months.

Still, unless the final tally of the Christmas shopping season produces extremely pleasant surprises, a tax cut seems likely. It will probably be across-the-board, with some goodies for business as well as the middle and lower income classes.

What happens to overall demand and production in 1977 also will depend on the Federal Reserve's monetary policy. All seven governors of the Federal Reserve are Conservative Republican appointees. Their chairman, Dr. Arthur Burns, is *known to be fearful of inflation*. Although there are few special powers inherent in the office of chairman, Dr. Burns has earned for himself a considerable reputation as a policy adviser and sage. Therefore, his views alone carry as much weight as all the rest put together.

He knows that the constitutional independence of the Federal Reserve system is now under attack. Intransigent tightness by the Fed, even ostensibly in the good cause of minimising the danger of inflation, would *play into the hands of the* enemies of its independence.

Below the surface of Mr. Carter's polite words there is to be discerned the threat of a possible confrontation. Senator William Proxmire and Congressman Henry Reuss, each an influential chairman of a congressional committee with responsibility for Federal Reserve behaviour, have been voicing criticisms of its utterances and policies in 1976. Dr. Burns knows that their displeasure means nothing so long as the majority of legislators in both Houses are unwilling to open Pandora's Box of governmental control over the American central bank. But one supposes he realises that convincing evidence of the Fed as the perpetrator of an unnecessary recession would strip it of the support it desperately needs to retain its powers.

Mr. Jimmy Carter

President Carter, I therefore expect, *will receive from the* monetary authority a considerable measure of support for his attempt to restore the real growth rate of the U.S. economy to a 6 per cent. annual rate.

Economic forecasting is never easy. But it is less hard in a period like the present when policy does not seem to face the dilemma posed by irreconcilible goals such as dealing with inflation and achieving real growth. Suppose my fallible guesses on the natural strength of the economy prove to be wrong, as is not an unlikely contingency: no matter in which direction my error falls, there is a safety net under me in the form of offsetting Governmental policy. If inventory and *other investments turn out to* be unpleasantly low, the probability of a sizeable tax cut *becomes all the greater*. If consumer spending turns out to be deliciously high, monetary and fiscal policies can be counted on to take notice of the changing prospects.

There still must of course remain some residual errors in our ability to gauge the future. "Fine tuning" is not a practical policy this side of Utopia. There are variable lags and uncertainties of multiplier responses to each applied dosage of policy. The system *can be whipsawed as policy* reacts to a recent sign of weakness, just prior to a spontaneous reversal in that weakness. So humility in analysis is still in order for the inexact science of political economy with its vulnerability to sheer chance.

If you survey the two-score bank, corporation, and university economists who prepare annual forecasts, you will find that generally they predict something like the following:

● Gross National Product, corrected for price inflation, will grow in the four quarters of 1977 by anywhere from 4 to 6 per cent. Almost all real GNP estimates are bunched in the middle of this range.

● Analysts expect an inflation rate for the same period anywhere from 3 to 7 per cent., most estimates falling just above the middle of the range.

● At the end of 1977, the unemployment rate will have fallen from its recent 8.1 per cent. level to around 7 per cent., plus or minus half a percentage point. Thus, most analysts doubt whether President Carter will achieve his announced goal *of bringing down the unemployment rate by* 1½ per centage points during his first year in office.

● Total profits are to rise, but not with the buoyancy shown in the first year of the recovery.

● Interest rates are expected to rise under these forecast scenarios. The view of Mr. Henry Kaufman, respected economist partner of Salomon Brothers is typical. by spring, short-term rates will be on the rise: later in the year, long-term rates will bottom out. Yield differentials between high and low quality securities will continue to be narrow.

● The forecasters divide on the question of whether the current U.S. balance of payments will continue its deterioration. Those who foresee no end to this trend look with equanimity on our providing strong markets for the export goods of foreign countries.

The table lists the forecasts of Mr. Otto Ekstein, of Harvard, who heads one of our leading economic consulting firms, Data Resources. It numbers among its clients most on the Fortune list of 500 giant corporations, as well as many of the largest banks, insurance companies, and institutional money managers. Its views are typical.

1977 QUARTERLY FORECASTS FOR THE U.S.

Data Resources Inc.

	I	II	III	IV	4-quarter average
Real GNP growth* (%)	4.6	6.4	6.2	5.6	5.7
Price index growth* (%)	5.1	4.7	5.3	6.2	5.3
Money GNP growth* (%)	[illegible]	11.4	11.6	12.1	11.3
Money supply growth* (%) *M2: currency plus demand and net time deposits*	11.2	11.2	11.1	11.0	11.1
Profit growth* (%) *over previous four quarters*	11.3	11.0	11.6	13.3	11.8
Unemployment rate (%)	7.6	7.5	7.4	7.2	—
Short term interest rates (Federal funds rate %)	4.8	5.1	5.6	6.0	—
Long-term interest rates (new high grade corporate bonds, %)	7.7	7.8	7.9	8.1	—

* Percentages are expressed as annual rates

The mob

Alas, consensus forecasters lack infallibility. Like sheep, they tend to point in the same direction, their unanimity giving a misleading appearance of precision concerning the future course of events. Last year they missed the variability *of inventory rebuilding*. Most failed to foresee the sluggishness of the rebound of plant and equipment investment. The mob did better in appraising the rebound in residential construction and in consumption spending.

Still, I have to agree that the new President inherits an economy that is functioning fairly well. With a little luck, and some skilful management, he may a year from now be able to claim credit for having contrived a minor miracle of *forestalling a 1977 economic* recession. Plato termed politics the craft of telling plausible *lies. I view it as the art of not* being caught guilty. By this definition, what is good for Jimmy Carter will be good for the U.S. and the world.

1977 PROJECTION ▷ Europe

A mood of deep uncertainty

BY REGINALD DALE, European Editor

WESTERN EUROPE enters 1977 in a mood of deep uncertainty. The *European Community* is in the doldrums and its prospective enlargement has raised major unanswered questions as to its future. There is talk of renewed recession, but disagreement over its likely impact. The economic policies of the incoming Carter administration, which will be vital to Europe's prosperity in the coming year, are still untried, and the full implications of the split in the Organisation of Petroleum Exporting Countries (OPEC) have yet to be digested. In the face of mounting demands from the Third World for a new international economic order, the West remains *seriously* divided.

Faced with these uncertainties, the countries of the European Community have opted to "wait and see." At their Hague summit at the end of November, the Nine Heads of Government concluded that there was little, if anything, that Europe could usefully do to head off an oil price increase and decided *that it would have to be left* to the U.S. to avert the threat of renewed recession. Since then, there has been a perhaps premature tendancy to gloat over the disarray of OPEC.

Outgoing President of the Commission, M. Francois-Xavier Ortoli of France (left) and Dutch Finance Minister, Mr. William Frederik Duisenberg, author of a plan for European monetary and economic co-operation.

Oil prices

Whatever the outcome of the disagreement between Saudi Arabia, the United Arab Emirates and the rest, oil prices next year are going to rise, and even small increases are going to be unpleasant for the weaker economies. A 10 per cent. oil price increase, according to American *calculations*, would knock a full 1 per cent. off Italy's Gross National Product, and 0.6 per cent. off that of the major Western industrialised countries taken together.

In Italy, the picture is already bleak for next year, with the OECD predicting a slight decline in growth and continuing high inflation. For Britain the forecast is a growth rate of only 1.5 per cent. and a further decline in real disposable earnings. But the weaker Community countries cannot, at any rate for the time being, look to their stronger partners for help through more expansionary policies. Both Gemany and the Netherlands have made it clear that they do not consider the time *ripe to reflate further*, although Germany, has left its OECD partners with the impression *that it might act if the* Organisation's *pessimistic projection* of no more than 3.5 *per cent*. growth in the German economy next year proves right. Bonn still hopes for an increase *of* 5 per cent. of GNP next year, only half a percentage point below this year's figure.

France, too, has challenged the OECD forecasts for next year, maintaining that French growth is still likely to be 4.8 per cent., rather than the 3 per cent. forecast by the Organisation before the OPEC meeting. But the French position may rest more on hopes than soundly based expectations. Despite the *anti-inflation plan of the* new Prime Minister, M. Raymond Barre, the prospects for *the French economy are* doubtful. The franc remains nervous, the balance of payments is far *from* healthy, and foreign exchange reserves are at comparatively low levels.

With France now in an intermediate position between the strong and weak economies of the Community, there is no sign of an end to the economic divergence between its richer and poorer members which is widely considered the main obstacle in the way of further progress towards integration. Nor have the Nine managed to agree on any real common policy that will help to reduce the divergence.

In his last appearance before the European Parliament as President of the Commission, M. François-Xavier Ortoli said he was hopeful that members were looking at their economic problems in a common light, and that this might be the *prelude to action. But he was* forced to admit that three years after the oil crisis the nine economies were still "as far out of step as ever," with widely varying growth rates, sharp differences in payments performances, and inflation rates ranging from 5 per cent. to 18.5 per cent.

While they deplore the extent of this divergence, the member states are all trying to reduce the gap by individual rather than collective action. Most governments are still not prepared to submit their economies to central direction through the Community — even if Bonn might be prepared to be more generous in other respects if they did. As it is, there is no sign of a German readiness to *agree to the sort of massive* transfers of resources to the weaker countries that would be required to put the balance right, and existing Community mechanisms such as the Regional Fund have little practical impact. The Duisenberg Plan for relaunching economic and monetary cooperation, put forward by the Dutch Finance Minister in the summer, seems to have suffered the same unhappy fate as most of its predecessors.

Dr. Duisenberg's plan was not excessively ambitious by past standards. His suggestion was that the member States should accept more binding commitments to jointly agreed economic policy targets, and that currencies outside the jointly floating "snake" should be loosely linked to it by the establishment of target zones for their exchange rates. In return, they would be able to call on the Community's financial resources if necessary. After initially rejecting the idea, Britain started to show signs of interest in the autumn, particularly in the monetary angle. But Britain is unlikely to be *prepared to subject its economy to* EEC supervision as part of a new monetary agreement—there already have been problems enough with the recent extended visit of the International Monetary Fund inspection team.

The fact of the matter is that the Community's boundaries do not constitute a natural frontier in economic and monetary *terms. The five EEC "snake"* members—Germany, the Benelux countries and Denmark—have more in common with the Swiss, Austrian and the non-member Scandinavian economies, than they do with those of Britain, Ireland, Italy, and now France. The economic, and political, frontier inside Western Europe *still lies roughly* between the North and the South, with Britain falling uncomfortably between the two. Economically, the Northern countries by and large are stronger and have survived the world energy and economic crisis with relatively little damage. The South, including Italy and, outside the EEC, Spain and Portugal, is much more vulnerable. All three *countries, and Britain* as well, will be struggling to impose austerity in 1977, while Germany and the Netherlands will be wondering when to reflate and by how much.

The political contrast is equally sharp. While France, Italy, Spain and Portugal remain fertile breeding-grounds for "Euro-Communism" and new left-wing alliances, the trend in the North, if anything, is to the right. The anti-socialist Christian Democrats made a strong showing in the German election, the Socialists are out of office in Sweden for the first time in 40 years, and the Dutch elections in May are likely to show a strong rightward shift, even among working class voters. While many people in the south are looking to the Left to restore prosperity and to end decades of inequality, the north has created *so much prosperity* and equality through Social Democratic policies that the new middle-income voters are tending to become increasingly conservative.

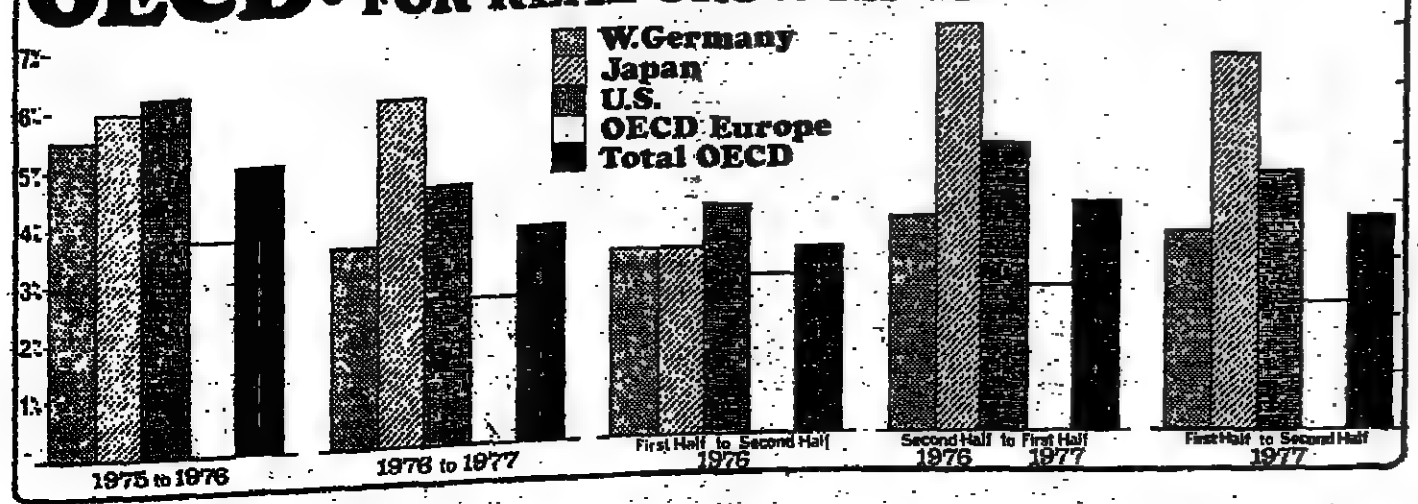
But while the northernmost European countries have chosen to stay out of the Community, the southernmost are now pressing to join. Greece is negotiating its entry: Portugal is expected to apply within the next couple of months: and Spain will probably shortly follow suit. It will be difficult for the Nine to say no to any of them—although there may well be considerable dragging of feet. All European *democracies* have the right to apply for membership, and the Nine will almost certainly reckon that it is better to shore up the fledgling Mediterranean democracies by admitting them to the fold, at whatever cost to the Community, than to run the risk of further political instability by turning them away.

Divergence

The Nine have as yet made no effort to evaluate either the political or the economic consequences of enlargement to the South. If economic divergence is already an apparently insurmountable obstacle to further integration, it is patently obvious that the Community *is going to find it even* more difficult to progress if it increases that divergence by admitting less industrialised new members. Yet the Nine have so far given no serious thought to the long-term implications. It would clearly be wrong to penalise new applicants for the Community's own shortcomings. But it would also be reassuring if the Nine could use next year to formulate a clearer idea of where they are heading.

The Nine will also urgently *have to review their attitudes to* the Third World if they are to face the developing countries *with any semblance of unity in* the crucial "dialogue" between North and South which will reach its *climax* in coming months. For the moment the Community looks almost irretrievably split, with the Netherlands and Denmark in the "progressive" Scandinavian camp, and Britain and Germany lined up with the tough approach of the U.S. and Japan. In the light of recent statements by Saudi Arabia, the future level of oil prices will almost certainly be influenced by the line the West takes. But here again, the Community is waiting for President Carter to show the way.

OECD: FIGURES AND FORECASTS FOR REAL GROWTH OF GNP



COMPANY NEWS + COMMENT

Fodens expects reasonable year

RECOVERY continued at commercial vehicle manufacturer Fodens in the 28 weeks to October 16, 1976. Sales took a sharp jump from £13.44m. to £22.91m. and there was a pre-tax profit of £543,000 against a loss of £797,000 for the same period of last year.

The directors expect this trend to continue and the year, as a whole, to finish reasonably well.

Sales and output are increasing and the order book continues in a satisfactory state, with growing emphasis on export. Military vehicles are now being delivered in considerable quantities.

The company is still operating within a strictly controlled and planned cash flow and the increased output, with its appropriate stock investment, is being maintained within available financial resources.

In the year 1975-76, when sales totalled £28.62m., there was a loss of £1m. and a final dividend of 0.65p net per 50p share was paid. At the year end the directors said that if improvement continued in the current year, they hoped to return to a more normal dividend level in the following year.

	1975-76	28 weeks
Sales	22,947	13,445
Trading profit	183	[illegible]
Trading profit	1,673	[illegible]
Interest	[illegible]	[illegible]
Pre-tax profit	543	[illegible]
Taxation	[illegible]	[illegible]
Net profit	[illegible]	[illegible]
Extraord. debit	Nil	[illegible]
Minorities	[illegible]	[illegible]
Attributable	[illegible]	[illegible]

† Loss. * Credit.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ailsa Investment ......int.	1.6	Feb. 14	1.4	—	3.41
Gresham House ......int.	1.4	—	1.4	—	3
Philip Harris ......int.	1.3	Jan. 27	1.3	—	3.48
Hawkins & Tipson	2.88	Feb. 5	2.33	3.58	3.25
S. Hoffnung ......int.	1.49	April 7	1.33	—	3.79
Wilkins & Mitchell ...int.	0.1	Dec. 31	nil	—	nil

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Hawkins & Tipson has setback

IN ADVERSE trading conditions pre-tax profit at Hawkins and Tipson declined from £1,201,000 to £844,000 in the year ended August 31, 1976. This followed a sharp turndown from a peak £549,000 to £280,000 at the halfway stage.

Forecasting is hazardous but present indications are sufficiently favourable to foresee a more profitable year and it is expected to return to a profit level of not less than £1m. say the directors.

The final dividend at 2.875p net (2.55p) per 25p share is raised to the maximum permitted and is in view of more encouraging prospects, they state. This makes the total payment for the year 3.575p (3.25).

Stated earnings per share were lower at 6.08p (9.94p).

Trading operations were generally adversely affected by the world recession, and, as a result, trading profits suffered from smaller margins.

The group was also absorbing the initial cost of integrating the new acquisitions—Smith Wires and R. S. Rainbow. Both should, in marketing a new and wider range of products, substantially benefit the current year's results with even greater potential for the future, the directors comment.

The Rope Division was mostly affected by the market downturn. There are now signs of recovery which, it is hoped, will permit fuller utilisation of machines installed recently.

The division is now capable of meeting most of the demands from the shipping and oil industries.

Marlow Ropes, is expanding rapidly, especially in the industrial field and a very profitable year's trading is expected, particularly from exports.

The Wire Division produced good results, and, with the addition of Smith Wires, is expected to make increasing contribution to profits in the current year. The £2.8m. capital expenditure programme undertaken in recent years is emerging in the form of higher productivity with cost savings and improvement in profits, they state.

In the present year capital expenditure on expansion of production capacity will be on a smaller scale now that the group is considered to be suitably equipped in all divisions.

● comment

By holding its second-half downturn to 13 per cent. pre-tax, after a 49 per cent. drop at half-time—and promising at least £1m. pre-tax in the current year, Hawkins and Tipson managed to win some favour with the market yesterday, and the shares rose 4p to 44p. Even at this level, though, the yield of 13.4 per cent. and p/e of 6.8 reflects a significant measure of caution, and understandably so. This forecast still allows for a lower profit than that of 1973-74 or 1975-76. Wire ropes may now be picking up on the back of cost savings and expansion benefits, but the market will want to see solid evidence of a recovery in the more important natural and synthetic ropes division (74 per cent. of 1975-76 profits) before it takes any chances on the immediate prospects.

Northern Goldsmiths optimism

FOR THE half year ended August 31, 1976, profit of Northern Goldsmiths Company amounted to £77,000. This is the first time interim figures have been published and chairman Mr. R. G. Cooke says these demonstrate clearly the seasonal nature of the jewellery trade, as for full 1975-76 year the group turned in £303,000.

He is confident that the current year will be "somewhat better" than the last. Sales to the end of November are ahead of the corresponding period, and December sales are traditionally very heavy and he is optimistic that this year will prove no exception.

	Half-year 1976 £000	Year 1975-76 £000
Turnover	1,306	2,631
Profit before tax	77	303
Taxation	40	159
Net profit	37	144

An interim dividend of 0.85p (equivalent 0.666p) net per 25p share has already been declared. Total for 1975-76 was equal to 1.7150p.

Wilkins & Mitchell loss £½m.

DOMESTIC APPLIANCE and power press manufacturers Wilkins and Mitchell halved its loss position for the 26 weeks ended October 2, 1976. On sales, lower at £20.78m., against £21.74m., there was a deficit of £503,000 compared with £1,139,000 last time.

The total deficit however hides a turn-round in the group's U.K. activities from a loss of more than £1m. to a profit of about £100,000.

To preserve trustee status a nominal interim dividend of 0.1p net per 25p share is being paid. The directors have waived their rights to all but 0.01p per share of the payment. Last year, when there was a full-time loss of £1.65m., no dividend payments were made.

The Australian subsidiary suffered as a result of the collapse of the white goods market during the six months to September and incurred a loss of £600,000, due to trading losses accentuated by currency depreciation.

In view of these losses directors of the parent company visited Australia to assess the situation and certain courses of action to remedy the position have been initiated, they say. The Australian company is financed separately from the U.K. part of the group.

In the home market remedial action taken in the domestic appliance division over the last 18 months is now coming to fruition. This division is currently in profit and the improvement has been sustained during the third quarter, the directors report.

The power press division continued to show an improvement and results for the half year were satisfactory under the conditions prevailing in the machine tool industry, say the directors. Lack of investment by industry in power press equipment remains a major problem and this division is increasingly engaged in general engineering to utilise the facilities available.

	Half year 1976 £000	1975 £000
Sales	20,778	21,743
U.K.	13,313	13,072
Overseas	7,465	8,671
Pre-tax loss	503	1,139
Exceptional debit	—	173
Taxation	15	†730
Net loss	333	782

† Credit.

● comment

The sudden collapse in Australia is a major embarrassment to Wilkins and Mitchell, producing a significant drain on reserves and overshadowing the recovery at home. Unfortunately, the state of the Australian economy will make it difficult to stem the losses in the second half, though the company believes they will be less than the first half's £600,000. At worst, however, borrowings (£4.3m. at the last balance sheet) should still be within the recently raised borrowing limits. Looking ahead, prospects can only be doubtful. The underlying trend in white goods is very confused and this will be critical for the new electronic washing machine which will be marketed in April. The power press side, also, is marking time, despite usefully increased overseas orders; so trading profits (excluding Australia) may not be as high as the £200,000 which a traditional pattern would suggest. The year-end figures will be critical and at this stage the shares, unchanged at 20p, suggest that shareholders are reserving their decision. At this level, however, the market capitalisation is only £1.26m. while the balance sheet net worth is £5.6m.

S. Hoffnung first half progress

WHOLESALE and general merchants, retailers and manufacturers S. Hoffnung has shown improvement in the half year ended September 30, 1976, with profits up from £1.84m. to £2.24m.

The official exchange rate of Australian $1.36 to the £ ruling on September 30 has been used. If the rate of $1.57 to the £ on December 21 was used, the profit would have been £1.97m. The directors feel it would be misleading to publish the results at the rate on September 30 without the additional figures.

As to prospects, they point out that exchange rate fluctuations make it particularly difficult to forecast results in sterling terms, but they believe the outcome for the year will be considered satisfactory. In 1975-76, the profit was £3.85m., after exceptional provision.

Trading in the first few months of the year started slowly, and the recovery in the Australian economy has not materialised as quickly as expected. However, trading since August has shown an improvement.

Earnings per 25p share for the half year are shown at 6.21p (3.66p) and 5.81p (3.22p) fully diluted. The interim dividend is raised from 1.33p to 1.485p net—total for 1975-76 was 3.7895p.

Taking the December 21 rate of $1.57 to the £, the half-year figures would have been: turnover £52.1m.; profit £1.97m., tax £874,000; profit attributable £961,000; earnings 4.45p and 5.15p diluted.

● comment

Considering that Hoffnung's operations are closely tied to the Australian economy (94 per cent. of turnover in 1975-76), the group has done well to increase profits. Using the exchange rate of $A1.57, group pre-tax profits are up by 7¼ per cent and, even adjusting to the same exchange rate as last year and allowing for interest on the £1.8m. rights issue proceeds, Hoffnung has held its pre-tax level. In the U.K., G and M Power Plant (about a tenth of profits) saw some slowdown in the order intake, but that subsidiary works on a long order book, and the inflow of new business has picked up since September. The small Fiji operation, which is heavily geared towards the tourist trade, makes its major contribution in the second half, and the Australian business is indicating a higher level of activity. However, with the Australian economy unlikely to make any quick improvement, Hoffnung can only hope for a modest profits rise this year to something over £4m. At 81p the prospective yield of 8.1 per cent. is a couple of points above the overseas traders average.

Statement Page 13

Ailsa Trust midyear rise to £240,000

Taxable revenue rose from £193,003 to a peak £240,166 for Ailsa Investment Trust in the half year ended November 30, 1976.

The interim dividend is raised to 1.6p net (1.4p) per 25p share. Last year's total payment was 3.4125p from pre-tax revenue of £415,000.

Net asset value per share declined from 105.8p to 90.2p at November 30.

Reorganisation plans for Amalgamated Stores

Control of Amalgamated Stores, the troubled concern which has not paid an Ordinary dividend since 1962 and whose shares have been suspended since January this year, will pass into new hands if reorganisation proposals disclosed last night are approved by shareholders. It is hoped this would open the way for a restoration of the quotation.

The plan, announced along with the statement that the company, whose interests are now in property, had incurred a net loss of £63,000 in the 20 months to March 31, 1976, compared with £23,000 in the year to July 31, 1974, envisages the injection of properties against a substantial issue of shares. The new shares would represent 64.8 per cent. of the enlarged capital.

The effect would be to leave Mr. F. Phillips and Mr. L. Phillips with 51.2 per cent. of the increased capital and Mr. Stanley Wise and his family with 12.5 per cent. It is proposed that all three should join the Board, of which Mr. C. V. Rowe would continue as chairman. Mr. D. W. Grey, Mr. R. M. Nobbs and Mrs. L. J. Winton would resign.

The changes now proposed would be the latest in several shake-ups and reorganisations over the years at Amalgamated, the former Blackett and Son, whose managing director was once Mr Claude Rudkin Jones. The company disposed of its loss-making retail subsidiaries in 1972.

Shareholders are told in a circular that the negotiations for the acquisition of the additional assets are conditional on the company's regaining its listing and that, in that event, the company's bankers have undertaken to provide continuing and increased support. The accounts have been prepared on a going concern basis, which assumes continuing support by the bankers.

Provided shareholders approve the plan at an extraordinary meeting on January 20, a re-quotation of the shares will be sought.

The proposed acquisitions are of five properties, including certain fittings and furniture, and the capital of a property investment company, Ulverston Leases.

The Directory of Directors 1976 shows Mr. Stanley Wise as a director of Ulverston and of a number of other companies, including Ebury Street (Developments) Phase 2, Harwise, Hertford Properties (Wandsworth), KCM and OR Land Syndicate, of which he is chairman. Seven Sisters (Finsbury), Sloane Square Leases and Sloanestat Properties.

The circular to Amalgamated shareholders says that the consideration for the five properties will be £919,000, to be met as to £406,000 by the issue of 8.12m. Ordinary shares, as to £203,000 by cash and as to £310,000 by assumption of the liability under a mortgage for that amount on one of the new properties.

The consideration for Ulverston will be £100,000, met as to 2m. shares. This implies that a value of 5p is placed on the shares. Last year the share price ranged between 6p and ½p.

It is stated that the Board is satisfied that, following completion of the proposed acquisitions, and having regard to the loans and loan facilities detailed in the circular, the group will have adequate working capital.

The Board is confident that implementation of the proposals will provide the company with a sound asset base and a satisfactory income and that a financial arrangement with Greyhound Guaranty—an associate of Greyhound Corporation of the U.S.—which is also detailed in the circular will provide the reconstructed group with an excellent opportunity for growth.

Results due next week

The New Year begins on January 4 as far as companies' financial reports are concerned, but it will be a slow start with only 14 companies due to produce results in the short week. Thursday will attract most attention: Allied Breweries will round up its year and look forward to next year's growth; and Electronic Rentals will reveal the half-time effects of its recent acquisitions.

In the documents on its agreed offer for Teachers, Allied Breweries forecast year-end profits of £60.2m.—equal to last year's, but the market is inclined to believe the actual figure will be higher at £62m. The extra will have come in the second half as first half profits were 16 per cent. down on the comparable period, largely as a result of strikes. Most interest, however, will be reserved for any indications for the current year where pundits are looking for a real spurt of growth leading to full-year figures of between £75m. and £80m.

Electronic Rentals, the Visionhire people, have also made a forecast this year—of £10m.—but outsiders think there is a good chance of about £1m. more. The half-time results, then, will be analysed for clues as to which figure is more likely. The integration of the Loyds Surevision acquisition has been progressing rapidly and most of the cash has now been paid out for Pye's television rental assets. One cloud on the horizon, however, is the Price Commission's criticism of profit levels in the TV rental sector which has led to a voluntary agreement that the companies will absorb current costs. On the other hand, this is thought to have been the sector's intention anyway, so presumably it has been incorporated in the forecasts.

On Tuesday, preliminary figures are due from the Winterbottom Trust and interims from Samuel Heath and Esperanza Trade and Transport, linked by their brass and copper interests. There will also be half-time figures from Maidenhead Investments, where Generale Occidentale has just bought the remaining shares not already owned by its subsidiary, Argyle Securities.

Only two companies will report on Wednesday: Birmingham Pallet Group, with year-end figures; and John Waddington, with its interims. In the latter part of the week results are due from nuts and bolts manufacturers F. H. Tomkins, Anston Holdings, the property developer, Morgan Crucible, Symonds Engineering, clothing manufacturers Robert H. Lowe, and Oliver Rix, the motor parts company where losses are being reduced.

BIDS AND DEALS

Dunford accused of over-optimism

In a reminder letter posted yesterday to Dunford and Elliott shareholders, on behalf of Johnson and Firth Brown, Lazard Brothers warn Dunford shareholders that they would be "very ill-advised" to ignore JFB's offer and suggest that they should ignore both Dunford's recent dividend forecast and its projections of earnings and assets per share.

Pointing out that the offer is virtually double the market value of the Dunford shares prior to the announcement by JFB, Lazards accuse the Dunford Board of having been "consistently over-optimistic" in forecasts in recent years and say the latest forecasts are "as unconvincing as ever," particularly in view of world-wide steel industry problems.

"This being so, you should ignore the Dunford dividend projections since these depend on the consent of the company's bankers unless the optimistic forecast are achieved in full," say Lazards.

On Dunford's financial position, the letter claims that the recent Dunford £3m. rights issue is quite inadequate to redress a "critical imbalance" between Dunford's borrowings of over £25m. against shareholders' funds of £13½m. The company will therefore remain "financially insecure and in need of a further injection of funds from shareholders."

In the face of such another "substantial dilution" of interest the letter urges shareholders to disregard projections of earnings and assets per share.

The JFB offer closes on January 5. Yesterday Dunford's shares closed 1p lower at 40p (ex rights) compared with an offer worth 37p with JFB at 46p. Dunford's new convertible Preference shares rose by ½p in their nil paid form to 10½p.

See Lex

SHARE STAKES

In connection with the beneficial holdings of Mr. D. H. de Trafford, chairman of G. H. P. Group, it is stated that £5,000 of stock has been sold by the trustees of one of the children's settlements to raise cash. His beneficial holdings total 284,887 (April 6, 1976—289,887).

Scottish Amicable Life Assurance holds 1,336,250 Young Companies Investment Trust Ordinary shares (23.63 per cent.).

Neepsend holds 76,766 Sheffield Refreshment Houses shares (31.46 per cent.).

CHADDESLEY'S NEW AGREEMENT

Shareholders in Chaddesley Investments have been sent full details of a new agreement announced earlier this month under which Portman Estates, a company within the Schlesinger group, will provide property and financial management services to the company. The agreement replaces a similar arrangement that Chaddesley, a property development and investment and finance group, had with Geln Anil Development Corporation, a South African company.

The new agreement will run initially until March 31, 1978, at an annual fee of £12,000.

Shareholders are also informed of a change in the loan arrangements with Compagnie Auxilaire L'industrie (CAPI) which holds 46.6 per cent. of Chaddesley. The adjustment to the terms of the loan from CAPI, originally dated February 23, 1976, limits the currency risk to Chaddesley in relation to the capital (but not interest) to U.S.$1.60 to £1.

The unaudited half-year results of Chaddesley show that the group incurred a loss before and after tax of £33,251. The group achieved a surplus after interest for the first time for a number of years but this was turned into a deficit by a provision of £34,670 for loss on exchange.

Subject to unforeseen circumstances and any further provision necessary for possible loss on exchange it is anticipated that a further small surplus will be received after interest charges in the current half year.

IBSTOCK DEAL WITH GRENDON

Ibstock Johnsen, the brick manufacturer, has bought certain fixed assets and stock owned by Grendon Trust and its wholly owned subsidiary, Hudson Brick and Engineering, for a base price of £1.15m. cash. The final purchase consideration could be considerably higher when the deal has been completed and once stocks have been given an up-to-date valuation.

Hudsons manufactures stock bricks at West Hoathly and Laybrook and, as a result of an almost complete capital expenditure programme, the annual capacity will be around 25m. bricks. The assets of a small engineering company are also included. The area of the three works is 180 acres.

In the year ending September 30, 1976, Hudson made pre-tax profits of £260,000.

A purchaser for these interests has been sought by Grendon, whose interests are in property and in Monotype Corporation and Hudsons as the two main trading assets. It is intended that the proceeds of the latest sale will be used to reduce Grendon's indebtedness. Monotype is to be retained and, as already known, the process of running down the property portfolio will continue.

Grendon was on the verge of going into liquidation in August this year before holders of the £6.9m. worth of 11 per cent. Unsecured Loan stock, 1978-81, agreed to terms cancelling the stock.

ASSOCIATES DEALS

On December 29, Kien Huat Realty together with associates bought 10,000 Golden Hope Plantations at 74.5p.

Cazenove bought 7,500 Golden Hope at 81p on behalf of Auxiliary Investments, an associate of Harrisons and Crosfield and also bought 80,000 Golden Hope at 81p for Harrisons and Crosfield and bought 2,500 at 81p on behalf of Castlefield (Klang) Rubber Estates, an associate of Harrisons and Crosfield.

Capel-Cure Myers sold 5,850 Dunford and Elliott 10 per cent. Convertible Redeemable Preference hares at 9½p premium and 11,180 at 9p premium both on behalf of discretionary investment clients. Also bought 4,750 Dunford Ordinary at 41p on behalf of a discretionary investment client and sold 2,600 Dunford 10 per cent. Convertible Redeemable Preference at 9½p premium on behalf of an associate client.

Rowe and Pitman, Hurst Brown on behalf of Johnson and Firth Brown bought 40,000 Dunford 10 per cent. Convertible Redeemable Preference shares at 9.875p premium average.

WILLIAM JACKS

William Jacks and Co. has sold its 29 per cent. holding in William Jacks and Co. (Malaya) Berhad to Straits Steamship Company of Singapore, a 59 per cent. owned subsidiary of Ocean Transport and Trading. The consideration will be Singapore $4.8m. (£1.2m.).

The sale is conditional on the necessary consents being granted by the Malaysian Foreign Investment Committee and the Bank of England.

William Jacks and Co. (Malaya) Berhad is principally engaged in trading in Malaysia and Singapore. It also owns 48.35 per cent. of the capital of William Jacks and Co.

Based on the audited accounts, the net assets of Jacks (Malaya) at June 30, 1976, attributable to the shareholding being sold were $5.8m. (£1.3m.). The net loss attributable to the holding (before tax and extraordinary items) for the year ended June 30, 1976, was $670,156 (£151,000).

William Jacks intends to use the cash realised to repay all its foreign borrowings and to reduce substantially its U.K. indebtedness.

DATASTREAM

A consortium headed by BOC International and investment trust group Touche Remnant have bought 77 per cent. of Datastream, the computerised financial information service developed by stockbrokers Hoare Govett. The price paid of £3 per share values Datastream at £1.49m.

The consortium, which includes, among others, Airways Pensions Funds Trustees, the Church Commissioners, Commercial Union, Prudential Assurance and Lazard Brothers, is also bidding for the remaining 23 per cent. which is in the hands of Hoare Govett and Datastream employees.

The new Board of Datastream, headed by Mr. I. J. Fraser, will be drawn from members of the consortium.

MINING NEWS

Vaal Reefs R60m. uranium boost

BY KENNETH MARSTON, MINING EDITOR

THE Anglo American Corporation group's 'Vaal' Reefs gold-uranium mine is to boost its uranium production capacity at a cost of some R60m. ($41m.) following the recent negotiation of a "substantial" sale through the medium of the Nuclear Fuels Corporation of South Africa.

Ore treatment capacity will be lifted from 335,000 tons to 720,000 tons a month, raising the potential annual output of uranium oxide by about 700 tons to 1,880 tons as from the second half of 1980. The programme will involve the construction of 210,000 tons per month uranium plant at the Vaal Reefs south division and extensions to the two existing plants at the north division.

It it pointed out that the sales agreement provides for a consumer loan with the result that the expansion can be financed without adversely affecting the mine's cash flow or dividends, provided that the gold price does not fall substantially below current levels.

Southvaal Holdings obtains its revenue from royalties on profits remaining after the deduction of capital expenditure of the Vaal Reefs south division. The expansion programme will thus mean a reduction in Southvaal's royalty revenue during the period 1977 to 1980. Thereafter, however, the production expansion at the south division will result in "significantly" improved royalty payments to Southvaal.

This new uranium contract arranged through Nufcor may raise hopes of further contracts for South Africa's other gold-uranium producers which include West Rand Consolidated, Harmony, Buffels, Hartebeest, Blyvoor, West Driefontein and, soon, President Brand. In London yesterday, Vaal Reefs rose 12p to 962p and Southvaal gained 5p to 335p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Knott Mill.

Finals—Caplan Profile.

FUTURE DATES

Interims—

Cray Electronics ... Jan. 14

Electronic Rentals ... Jan. 5

Waddington (John) ... Jan. 5

Finals—

Greenfriar Investment ... Jan. 25

PHOSPHATE HOPE AT BH SOUTH

Australia's BH South expects its Queensland Phosphate subsidiary to become profitable in the first half of 1977. The prospects have been increased by the recent devaluation of the Australian dollar. Another subsidiary, the copper producing Cobar Mines, has also benefited from the devaluation and is operating at a close to break-even net profit result.

These disclosures are contained in a letter to shareholders regarding the already announced $19.75m. (£12.5m.) rights issue on the basis of four new shares for every five held at a price of 80 cents each.

Production at Queensland Phosphate is building up to 1m. tonnes a year and output in the year to the end of next June should be 750,000 tonnes. Sales are expected to be more than 600,000 tonnes. BH South were 100p yesterday.

P. Harris ahead and confident

FROM SALES £1.19m. ahead at £4.32m., Philip Harris (Holdings) has pushed up its profit from £280,972 to £330,209 in the half-year ended September 30, 1976.

The directors consider the figures satisfactory, and they are looking for a further advance in the second half. Although the present economic situation must affect the home market, export sales remain healthy.

The company makes and distributes educational scientific equipment, and supplies pharmaceutical and surgical products.

After tax £171,700 (£146,105), the half-year's net profit came to £158,500 (£134,867), for earnings per 20p share of 4.5p (4.1p). The interim dividend is held at 1.3p net per 20p share—total for 1975-1976 was 3.48p paid from profits of £603,000.

NEWS SUMMARY

Take-over bids and mergers

The shortened post-Christmas week was a quiet one for new developments in bids and deals. Dunford and Elliott, the Sheffield steel group, has taken fresh steps to preserve its independence from Johnson and Firth Brown. In a letter to shareholders, D and E again strongly urged shareholders to reject the offer on the grounds that its acceptance would lead to 20 per cent. decrease in the capital value of individual holdings, a 39 per cent. drop in income, a "very significant" decrease in earnings attributable to holdings and a 38 per cent. fall in the assets underlying holdings. The chairman adds that the offer was opportunist and made at the time that the company's market quotation was unduly depressed because the company's financing plans were still under negotiation. The bid is not to be referred to the Monopolies Commission.

The future of Bucknall Trust remains unresolved. Stockbrokers J. and A. Scrimgeour, acting as financial advisers to Bucknall Trust, have informed shareholders that a liquidation of the trust would be more beneficial than acceptance of the 18p per share cash offer from Bremar Holdings. Bucknall, which is currently 75 per cent. liquid is 29 per cent. owned by Gresham House Estate. The latter, which has effective management control over Bucknall, itself made a 16p per share offer for the trust just over a month ago. An EGM is to be held shortly at which shareholders will decide whether to accept Bremar's 18p per share or to opt for voluntary liquidation as proposed by the Board and its advisers.

Country and New Town Properties is selling its wholly-owned subsidiary, Blundells of Luton, to Debenham for £1,212,680.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc'tce date
Achaban Tea	34½§	71	20	0.7	James Finlay	—
Baxter Fell	32*	37	31	3	Hoogovens	—
Bothat Tea	34½§	29½	20	0.9	James Finlay	—
Bristol Plant	10*§	9	9	0.4	Carlton Inds.	—
Bucknall Trust	16*§	19	18	0.1	Gresham House Estate	—
Bucknall Trust	18*	19	19	0.2	Bremar	—
Central Wagon	20	19	12	2.5	Booker McConnell	—
Chubwa Tea	231	185	65	0.3	James Finlay	—
Clyde Paper	4*§	4	5	0.1	J. Bibby	—
Crane's Screw	18*	21	18	0.4	Armstrong Equipment	—
Dejoo Tea	200*§	180	95††	0.2	Stewart Holl	—
Doolahat Tea	200*§	180	90††	0.2	Stewart Holl	—
Dunford Elliott	37	41	16	3.1	Johnson and Firth Brown	5/1
Embankment Tst.	70*	69½	46	6.4	S. Pearson	—
Equity Enterprises	3*§	18††	18††	0.2	Messrs. J. Daly & D. J. Dawson	—
Graff Diamonds	28*§	30	24	0.4	Sandstar	—
Gross Cash Regstr.	20	19	16	1.2	Chubb	—
Harmutty Tea	200*§	180	95††	0.2	Stewart Holl	—
Head Wrightson	61	57	36	8.1	Davy Int.	—
Ingersoll	40*	40	37	1.0	Heron Corpn.	5/1
Isle of Man Assurance Inv.	62½*§	60	60	0.6	Douglas Ests.	—
Kinloch	235*§	230	135	13.8	Booker McConnell	—
Lampa Secs.	120*	136	101	1.9	Royco Group	—
London City & Westcliff Props.	22*§	22	13½	13.5	Lonrho	—
Lovell Shipping	188*§	180	100	0.8	British Electric Traction	—
Maidenhead Invs.	36*§	25	24	2.1	Generale Occidentale	—
Makum (Assam) Tea	90*§	85	47	0.15	McLeod Russell	—
Marks (Alfred)	40*	38	20	1.13	Adia Interim	—
Midland Cattle Products	162½*	73	105	3.9	Thos. Borthwick & Sons	—
Miller (H.)	36	35	18	0.3	Dartmth. Invs.	—
Oliver Pell Control	200*	200	200	[illegible]	Thorn Elect.	—
Richards of Sheffield	21*	26½	13½	1.9	Imperial Knife	—
Ronksley Invs.	48*	5½	3½	0.5	Capper Neill	—
Ronksley Invs.	5¼*§	5½	5½	0.6	Arthur Lee	—
Sangamo Weston	155*§	147	147	2.0	Schlumberger	—
Scott (James)	40	38	16	1.7	William Press	—
Sheaf Steam	115*	112	112	4.1	Ben Line	—
Sthrn. India Tea	50*	48	260	0.13	Travancore	—
Spear & Jackson	111	124	98	5.9	Hestair	—
Walker (C. & W.)	90*§	115	91	0.5	Berry Best	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 29/12/76. †† At suspension. ‡‡ Bid.

ICL sees growth

IN 1976, International Computers (Holdings) established new records in all areas of performance and took steps which accelerated growth in the scale and scope of operations in world markets.

During the year the company devoted much of its product development resources to the 2900 series and its related products. Factories became involved to a major degree in the production of the new systems, which had, by the end of the year, been installed in "significant" quantities both overseas and in the U.K.

As reported on December 1 pre-tax profits for the year to September 30, 1976, rose from £16.18m. to £23.07m. and the directors said that the company had the opportunity to do even better in the current year.

Payments totalling £8.5m. were received from the Government during 1976; these completed the £40m. research and development support programme agreed in 1972-73.

The Plessey Company and the National Enterprise Board hold 24.42 per cent. of the company's issued share capital.

The directors proposed to change the name of the company to ICL.

Statement Page 17

UNIT TRUSTS

Britannia offer

Slater Walker Trust Management is returning to the market under its new name Britannia Trust Management and offering investors this week-end the Britannia Income and Growth Trust.

This is a high income fund, currently yielding an estimated 10.6 per cent. gross, with investment mainly in high-yielding equities to provide a high starting income together with good income growth prospects.

The minimum investment is £250, accumulation units are available and there is a share exchange scheme and a regular savings plan.

See Page 3

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Net Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	33⅞	28¼	Utd. Technologies US$5	33⅞	+⅛	Q$1.20	—	2.8	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
‡‡	F.P.	18/2	£98	£97½	Adams Foods 10% Conv. 1981-85	98	......
‡£1	Nil	—	11	7½	Dunford & Elliott 10% Conv. Red pref.	11 pm	+½
‡£94	F.P.	28/1	97½	95½	Essex Water 8% Red. Pref. 1982	97½	......
$US100½	F.P.	—	$101	$99	Gotaverken AB 9% Guar. Notes 1982	$101	......
$US100	F.P.	—	$99¾	$97½	Gotaverken AB 8¾% Guar. Bds 1986	$99½	......
$US100	—	—	$99	$92½	I.C. O'seas Finance 9% Guar. Bds 1985	$99	......
$US100	F.P.	—	$100	$99½	Kockums Meck 9% Guar. Notes 1985	$99½	......
KD 97	F.P.	—	KD98½	KD96	Korea Development Bk 8¾% Guar. Bonds 1979	KD98½	......
$US98½	F.P.	—	$97½	$97	Korea Development Bk 9½% Guar. Bonds 1981	$US97½	......
$US100	F.P.	—	$100	$98	Midland Int. Fin. 8¾% Guar. Bds 1986	$98½	......
‡‡	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	......
$c100	F.P.	—	$c99½	$c99	Nova Scotia (Prov. of) 9% Db. 1983	$c99½	......
KD99½	—	—	KD100	KD99½	Panama (Rep. of) 8% Notes 1987	KD100	......
$US101	F.P.	—	$101½	$99	Polysar 9¾% Deb. Series 'D' 1988	$101½	......
$US100	F.P.	—	$99½	$98	Sth. of Scotland Elec. 8¾% Guar. Notes 1981	$99½	......
$US99½	F.P.	—	$99½	$98	Sodra Skogsagarna 9¾% Guar. Bds. 1986	$99¼	......
‡£94	F.P.	7/1	96½	94¼	Tendring Hundred W'works 9% Red Pf. 1981	96½	......
$US100	—	—	$97½	$96½	Uruguay Intl. Guar. Float Rates Notes '81	$97½	......
—	F.P.	7/1	75½	71	Willis Faber 7% Cum. Pref.	72	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Date +	Latest Renunc. Date ‡	1976 High	1976 Low	Stock	Closing Prices p***	+ or −
50	Nil	—	—	½	¼	Aberdeen (city of) Land Assoc.	¼pm	......
64	F.P.	10/12	28/1	79	66	Assoc. Engineering	79	+1½
$A4	$A2	—	5/12	60	57	Broken Hill Props.	500	−5
62	F.P.	29/12	10/1	89	70	Chloride Group	89	+1
11	F.P.	6/12	7/1	16	11½	Cray Electronic	15	......
100	Nil	12/1	9/2	40	35	Elbar Ind'l	35pm	−5
$A1.75	F.P.	3/12	17/1	245	185	National Bank of Australasia	240	−5
$A1.70	F.P.	18/6	—	197	136	Western Mining	145	−5

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. pe Pence unless otherwise indicated. e Forecast dividend cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976.) Gross. ¶ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. — Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ● 200 S Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants. ◆ After suspension. KD Kuwait Dinars.

WORLD TRADE NEWS

Yale truck orders

Export orders worth more than £350,000 for Yale industrial trucks have been won by the Materials Handling division of Eaton, the U.K. subsidiary of Eaton Corporation of the U.S. which is based at Wednesfield, West Midlands, Kenneth Gooding reports. They include a £120,000 first order from Turkey for both Yale forklift trucks and pallet trucks and an £80,000 order from *Spain* for 30 diesel and battery electric powered forklift trucks.

An initial £40,000 order for fork-lift trucks from Saudi Arabia resulted from Eaton's increased selling activities in the Middle East.

Muirhead wins French P.O. contract

Muirhead has been given a letter of intent for an order worth approximately £2m.—the biggest single contract ever negotiated by the company—by the French Post Office for Pagefax facsimile equipment. The French Post Office will offer a countrywide service of Muirhead's page facsimile system to French newspapers enabling them to transmit editions to printing plants in outlying areas.

Siemens Libyan deal

Siemens has received an order worth over DM100m. to supply the Libyan post office with 77 local and 17 trunk automatic telephone exchanges, to service the exchanges and train Libyan technicians. Installation, which will take around 3½ years, will give Libya a fully automatic national telephone system.

Yugoslav ship finance

An agreement aimed at obtaining funds for construction of 62 ships in Yugoslav shipyards has been signed by the Croatian Government, the Economic Chamber, the Association of Bankers, trade unions and members of a fund set up for ship construction financing. The agreement calls for accumulation of over $1bn. to finance construction of as many as 62 ships by 1980. Yugoslav imports of ships and equipment totalled about $1.3bn. in 1975.

FMC in Venezuela

FMC Venezuela, a wholly owned subsidiary of *FMC Corporation*, has been awarded a contract of more than $40m. by the Government of Venezuela *for a major* iron ore storage, processing and shipping facility. This project is the largest in a sequence of contracts undertaken by FMC at this site since 1952. Construction work will begin immediately, with completion scheduled for 1979.

Fokker in contest against BAC for Japanese orders

BY MICHAEL VAN OS

AMSTERDAM, Dec. 30.

A TOP level delegation from Fokker, the Dutch aircraft manufacturer, is to visit *Japan* at the end of January or early February, 1977, to discuss the sale of Fokker F-28 aircraft *to* TOA domestic airlines.

Fokker said here to-day that the company has "*good hopes*" of securing an order in the TOA competition in which its chief competitor is British Aircraft Corporation's BAC One-Eleven. A main factor, it was added, was the F-28's relative fuel economy and low noise levels.

However, a spokesman also expressed "concern" at the reports circulating recently that diplomatic pressure was apparently being applied by the British side on the Japanese to buy British aircraft to ease the problems of Britain's large trade deficit with Japan. "It seems odd that such arguments are used in an aircraft sales competition," said a *spokesman*, "*the more* so since Holland, too, has a large trading deficit with Japan."

Fokker *said to-day* that whereas the company, like BAC, was to offer in Japan some sort of a co-operative venture *for the* new so-called Super-Fellowship in the early 1980s. Fokker would also offer to gradually replace the F-28s ordered by the new slightly larger aircraft. Earlier in Japan, Fokker had hinted that it would also consider a Japanese engine for the new engine—the current F-28 engines are British-made.

Fokker said that the second *part of the offer would be made* as TOA had already indicated that it would welcome a slightly larger version of the aircraft in future.

But, a TOA spokesman in Tokyo said to-day that the airline would like to buy the British BAC One-Eleven if the Tokyo Government subsidised interest payments on loans needed to buy the aircraft, adding that it would prefer the BAC One-Eleven to the *Dutch Fokker F-28*.

A spokesman for the Dutch economics ministry in The Hague *would only say to-day* that the Government would extend its usual help in securing the aircraft order.

The company's U.S. competitors, for example, had the benefit of lower wage costs, a relatively low dollar and ample financial assistance from the U.S. authorities.

It is understood that All-Nippon Airlines, another Japanese airline, will also be in the *market for the Dutch and British* aircraft, as well as the Douglas DC-9 and the Boeing 737. The *domestic South-West Airlines* has already chosen Boeing 737s because of their greater seating capacity.

Tanzania rationalises commercial vehicle range

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A FURTHER move towards rationalising the range of commercial vehicles *sold in East* Africa has been made in a new Tanzanian regulation which *standardises imports on ten* marques only.

Like many other third world countries, Tanzania has developed a highly fragmented commercial vehicle market with a variety of competing marques. Its new policy is designed to reduce the cost both of spare *parts stocks* and of the servicing involved in keeping a diverse fleet of vehicles on the road.

There is a strong possibility that this initiative will be followed in due course by offers to manufacturers to establish factories in Tanzania and begin to build up a local vehicle producing *industry*.

British Leyland, which has a turnover of more than £100m. in Africa, has a stake in three of the most important sectors into *which the Tanzanians have* divided the market.

In the pick-up sector it is one *of four manufacturers (along*side Isuzu, Volkswagen and Ford), in lorries *of* over eight *tons it is one of three* (alongside Fiat and Scania), and in buses it is one of three (alongside Fiat and *Isuzu*).

The Tanzanian regulations clearly give both Fiat and *General Motors (which owns* Bedford and has a stake in Isuzu) a strong position in the *market alongside Leyland*. But one of the most significant points in the new deal is that *the British company has estab*lished a clear lead in the four-wheel drive cross-country sector *with the Land-Rover*. This is possibly the most valuable single part of the market.

Japan and N. Korea settle debts

TOKYO, Dec. 30.

ALL PENDING issues regarding rescheduling of overdue North *Korean trade debts to Japanese* companies have been settled with signature of an agreement in Pyong Yang last Monday. But Mr. Sadao Murakami, leader of a trade delegation recently returned from North Korea said details of the agreement cannot be disclosed pending an agreement in North *Korea's* continuing trade debt negotiations with West European countries.

Banking sources said the Japanese side agreed on a two-year deferment of debt payments, at an interest lower than the 10.45 per cent. which it had originally proposed. *They added that North Korea's* total trade debts to Japanese companies amount to about $300m., of which an estimated $70m. to $100m. is now overdue.

Reuter

Comecon boosts U.K. presence

Financial Times Reporter

THERE HAS been a further expansion of East European trading and financial companies in the U.K. in 1976, according to a survey undertaken by the London Chamber of Commerce and Industry.

The annual directory of East European Trade and Business Representatives in Britain, prepared by the Chamber's specialist fortnightly bulletin "Eastern Europe," shows that there are now 49 trading companies operating in Britain together with 19 representative and agency offices established outside the embassies. This compares with 40 companies and 17 agency offices at the end of 1975.

Probably the most significant newcomer is a representative office for the GDR Foreign Trade Bank which is opening in Lloyds Avenue in the City. The arrival of the GDR bank completes the Comecon banking presence in the City, with the U.S.S.R., Romania having full banks and Czechoslovakia, Hungary and tion of the Anglo-Romanian Bank, which is a joint venture tative offices. With the exception Bulgaria and Poland represen- with Barclays International, the other banks are all wholly owned subsidiaries of the East European Foreign Trade Banks.

APPOINTMENTS

Executive changes at P & W Maclellan

Mr. D. G. Moodie has been appointed a director of P. AND W. MACLELLAN and elected non-executive chairman to succeed Mr. N. D. Carter, *who has* retired. Mr. N. D. Simpson, a director, has been made managing director.

*

Sir Halford Reddish, who resigned as chairman *of* RUGBY PORTLAND CEMENT last week after 44 years with the company, is *resigning from the* Board as from to-day. Sir Halford has been succeeded in the chairmanship by Lord Boyd-Carpenter.

*

Following the contraction of the overseas interests of FIRST NATIONAL FINANCE CORPORATION, and in particular of its French operations, Mr. Guy B. M. de la Presle has resigned *as a* non-executive director.

*

Mr. J. G. Hall retires as *joint* secretary of SAFEGUARD INDUSTRIAL INVESTMENTS from to-morrow and *becomes* a director, Mr. D. R. Walter has been appointed a joint secretary.

*

Mr. Leonard K. Bolderson has been appointed an additional director of DOLLAR LAND *HOLDINGS*.

*

Mr. Peter Haughton has become *general manager* of the Entertainment Ticketing Division (U.K.) of KEITH PROWSE AND CO. Mr. P. B. Haughton and Mr. I. L. Trackman (group solicitor and company secretary) have been appointed directors from to-morrow.

*

On the retirement of Mr. Mervyn Hill as a director of M E MECHANICAL HANDLING, Mr. Norman Bruce has been appointed technical director *from to-morrow*.

*

Mr. M. N. Little has been *appointed chairman of* UNILEVER AUSTRALIA (PTY.) in succession to Mr. F. W. L. *Mann*, whose *nomination for* election to the parent Boards of Unilever and NV has been announced. Since 1974, Mr. Little has been managing director of the Lever Division of Industrias Gessy Lever Limitada, Brazil, and also vice-chairman of that company.

*

The CHARTERED INSTITUTE OF *PUBLIC* FINANCE AND ACCOUNTANCY has appointed Mr. J. R. Winch as manager to the Institute's Loans Bureau in succession to Mr. E. J. F. Lynch, who retired on March 31. Mr. Winch is at present in the treasurer's department of the Greater London Council as head of loans and investment with responsibility for the Council's borrowing and investment.

*

Mr. M. A. Muller and Mr. T. W. Moorse have been appointed directors of F. BOLTON BULK CARRIERS *from to-morrow*.

*

Mr. D. C. Rennison and Mr. F. A. Budden have been appointed directors of G. P. TURNER AND CO. from to-morrow.

*

Mr. P. N. Guy will be joining the Board of AMOS HINTON AND SONS on January 10.

*

Mr. D. R. Brooks, formerly general manager, has been *appointed to the Board of* COLE EQUIPMENT.

*

Mr. R. A. S. Evans, managing director of RUMENCO, has relinquished executive responsibility for the company. Mr. D. W. Kydd, general manager, has been appointed managing director and Mr. Evans remains chairman.

*

Mr. A. G. Mills, managing director of F. J. WALLIS, has retired from the Board for health and personal reasons.

*

Mr. James R. Atkinson, assistant director (research) in the *British Ship Research Association*, has been appointed deputy director of the INSTITUTE OF OFFSHORE ENGINEERING at Heriot-Watt University, Edinburgh, and will take up that position on January 17. Professor Tom Patten will continue as director of the Institute on a part-time basis and Mr. Atkinson will be *responsible to the director for the* day to day *running* of the Institute.

*

Mr. J. L. Hubbard-Ford *has* been appointed to the Board of HUTCHISON INTERNATIONAL as an executive director. He joined the group three years ago.

*

Mr. G. L. Spital has retired as a director of the DELTA METAL COMPANY but remains a director *of Delta Metal Overseas* and J. W. Singer and Sons.

*

Mr. Sidney Golt, Government Affairs Adviser to EMI and Dunlop Holdings; Mr. Patrick Meaney, *managing* director, Thomas Tilling (Holdings); and Mr. J. W. Shield, director and treasurer, *Lucas* Industries have been elected as members of the General Purposes Committee of the LONDON CHAMBER OF COMMERCE AND INDUSTRY. Other Chamber appointments include Mr. Rex Johnson, a partner in Ronald Ward and Partners, as chairman of the London and Regional Affairs Committee and Mr. Jeremy Skinner, a partner in *Linklaters* and Paines, *as chair*man of the Taxation Committee.

*

Mr. A. R. C. *Harris has* been appointed to the Board of the MIDLAND EDUCATIONAL COMPANY. He joined the company in 1951.

*

Mr. C. E. Simons has retired from the Board of WETTERN BROTHERS. Mr. A. A. Attwood joins the Board to-morrow and will be commercial director.

*

FAG BEARING COMPANY has made the following changes from to-morrow: Mr. C. E. Marshall relinquishes his position as managing director but continues as chairman; Mr. A. B. Mason and Mr. K. Davis FCA become joint managing directors; Mr. A. J. McCulloch joins the Board as sales director; Mr. D. Bausewein *returns from* FAG Bearing Company South Africa (Pty) to be technical director; Dr. H. Korrenn replaces Herr Otto Schäfer as the parent company's representative on the Board; and Mr. P. A. Phipps becomes company secretary.

*

Mr. H. E. S. Hayward, secretary of the *BRITISH-SOVIET CHAMBER OF COMMERCE*, has retired and has been made an honorary *vice-president*. *of the Cahmber*. He has been succeeded by Mr. F. J. Smith.

WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Firm as confidence returns

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 30.

THE MARKET posted a modest gain, aided by a better feeling about the outlook for American business. The firmer tone may also be the result of some early New Year re-investment demand.

The Dow Jones Industrial Index was ahead 3.07 at 1,000.00 after lunch while advances outnumbered declines. Turnover approximated 9m. shares. The Transport Index gained 0.94 to 235.23 and Utilities rose 0.90 to 107.23. Stocks advanced 1.77 to 323.42.

Among issues to gain were IBM ahead $2½ at $279, Texas Instruments, up $1⅞ at $101⅞, Superior Oil $1 higher to $232, and Combined Communications also up $1 to $21¼. RCA Corp. was unchanged after announcing that it is reducing the prices of some television sets next month.

Bethlehem Steel, among the volume leaders, gained 25 cents to $40⅞ on over 103,000 shares but Pittston, also dropped 50 cents to $38⅞.

Prices on the American Stock Exchange pointed higher, with the Amex index up 0.33 at 108.15. Champion Home Builders moved up 25 cents to $3⅞ in brisk trading.

Dejur-Amsen "A," delayed in opening, was expected to trade above the previous close of $5½, after stating that its majority shareholder was seeking a company liquidation. Houston Oil and Minerals gained ¼ to $46¼.

Closing prices and market reports were not available for this edition.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony Cpn.	235,500	9⅛	−⅛
Texaco	225,600	27⅛	−⅛
Central South West	221,600	16⅞	+⅛
Southern Cpn.	207,400	16⅞	—
Occident. Petroleum	201,800	22⅛	−⅛
NCR Cpn.	199,100	7⅞	+1
Teledyne Cpn.	197,100	30⅛	−⅛
Mar. Nor.	180,500	20⅛	−⅛
Gen. Electric	175,300	54⅞	−⅛
NL Indus.	172,300	19⅛	−⅛

OTHER MARKETS

Canada mixed

Advances maintained a slight edge over losses in narrowly mixed light trading on Canadian markets. The Toronto Industrial Index edged 0.05 higher to 168.68 and Golds put on 1.27 to 300.40.

Bell Canada dropped ⅛ to $48, but Canadian Pacific rose 25 cents to $17¼. Interprovincial Steel shed 50 cents to $12¼, while Canadian Imperial declined ⅛ to $26.

In an active Western Oils sector with the index 0.33 lower, Ranger rose ⅛ to $18⅞ and Asamera advanced 50 cents to $11⅛. The Base Metals index also pointed lower.

PARIS—The market closed slightly higher on balance with the fall in call money rates from 10⅞ to 10½ per cent and the slight slowing in the inflation rate for November aiding sentiment. Banks and Chemicals were the firmest sectors. Motors, Constructions, Engineerings, Stores, Electricals and Oils tended generally mixed and other sectors eased.

BRUSSELS — Prices closed mixed to lower in the last session this year and trading was very quiet with few new positions taken. Clabecq, Wagons-Lits and Arbed rose while Sidro, FN and CBR fell. Electrobel rose Frs.30 and Sofina put on Frs.25.

AMSTERDAM — The market ended the year quietly mixed with an easier undertone. Dutch Internationals lost some ground except fractionally higher AKZO. RSV headed the gains which included KLM, VMF, IHC, THV and NSU. Banks were firmer. Declines were led by Heineken, Hal and Ahold.

FRANKFURT.—Shares were mixed in hesitant trading. Chemicals were higher while Banks and Electricals eased. Motors and Engineerings were mostly up to DM1 lower, but Demag lost DM4. Steels were mostly well maintained. Karstadt, Neckermann and Kaufhof all advanced.

ZURICH.—The market was quietly mixed with an easier bias. Banks were barely steady, but in Financials, Bally, Interfood "B" and Oerlikon-Buehrle Bearer edged higher. Landis and Schindler eased as did Zurich Registered among Insurances. Except for Brown Boveri, Sandoz and Sulzer, Industrials were slightly lower.

MILAN.—The market closed irregularly higher. Fiat, both Pirelli and Olivetti, Montedison and ANIC firmed among leading Industrials, but Snia Viscosa eased. In mixed Financials Generale Immobiliare gained as did Assicurazioni Generali in Insurances.

OSLO—Industrials were firmer and Shipping and Insurance issues were quiet.

VIENNA—Firmer with Banks higher and Insurances steady.

COPENHAGEN — Higher in moderate dealings.

TOKYO — The market was closed.

JOHANNESBURG—Gold shares rose in line with European bullion indications. Heavyweights gained generally around 25 cents although St. Helena gained R1.50 to R20 while President Steyn dropped R1 to R11. Financial Minings were very steady, and Coppers remained quietly unchanged. Platinums eased on profit-taking. The Industrial list was quietly firm.

AUSTRALIA — The market closed narrowly mixed in very quiet trading, with oil stocks in demand. Santos, BH South, Bougainville, Central Norseman and MIM firmed. But BHP, WMC, CRA, Hammersley and Utah were unchanged.

E. Berlin controls

East Germany has moved to cut down on the daily flow of thousands of foreign workers from West Berlin into East Berlin where they spend their leisure time and take advantage of low prices in restaurants, writes Leslie Colitt in Berlin. Starting on January 1 the East Germans are introducing visas and a fee for all foreigners who enter East Berlin. This will mainly affect the 150,000 Turks, Yugoslavs and Spaniards who work in West Berlin and were able to spend 24 hours in East Berlin on each visit. From now on they will have to return to the West at Midnight.

Indices

NEW YORK—DOW JONES

	Dec. 29	Dec. 28	Dec. 27	Dec. 23	Dec. 22	Dec. 21	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	994.95	1000.08	998.08	985.62	984.64	978.58	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (6/7/32)
Home B'nds*	92.55	92.49	92.17	92.07	92.00	91.89	92.49 (28/12)	85.00 (13/7)	—	—
Transport	234.29	234.54	233.36	231.87	233.75	234.87	235.73 (22/12)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.24	106.24	105.25	104.39	104.95	104.87	106.24 (29/12)	84.8 (26/5)	163.32 (20/4/65)	10.50 (28/4/42)
Trading vol 000's	21,810	25,798	20,130	24,560	26,970	24,390	—	—	—	—

* Basis of index changed from July 1.

	Dec. 24	Dec. 3	Nov. 26	Year ago (approx.)
Ind. div. yield %	4.15	4.50	4.26	4.57

STANDARDS AND POORS

	Dec. 29	Dec. 28	Dec. 27	Dec. 23	Dec. 22	Dec. 21	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	118.27	118.80	118.04	116.55	116.38	116.78	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	106.54	106.77	106.06	104.84	104.71	104.22	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Dec. 22	Dec. 15	Dec. 8	Year ago (approx)
Ind. div. yield %	3.71	3.70	3.75	3.76
Ind. P/E Ratio	11.56	11.59	11.27	12.31
Long Govt. Bond yield	5.40	5.56	6.24	6.05

N.Y.S.E. ALL COMMON

Dec. 29	Dec. 28	Dec. 27	Dec. 23	1976 High	1976 Low
57.26	57.47	57.11	56.49	57.51 (21/9/76)	37.98 (2/1/76)

Rises and Falls Dec 29

Issues Traded	1,957	Up	697
Down	732	Same	508
New Highs	132	New Lows	1

		Dec. 29	Dec. 28	Dec. 23	Dec. 22	1976 High	1976 Low
MONTREAL	Industrial	179.64	180.51	175.87	175.99	207.55 (19/5)	161.34 (30/11)
	Combined	179.58	180.18	176.85	174.88	199.78 (20/5)	162.16 (30/11)
TORONTO	Industrial	179.65	179.25	176.18	174.22	197.45 (20/2)	162.72 (30/11)
JOHANNESBURG	Gold	169.1	167.0	168.5	169.7	228.7 (12/3)	175.5 (25/8)
	Industrials	183.2	182.3	182.0	181.7	215.9 (21/5)	173.8 (30/11)

	Dec. 30	Previous	1976 High	1976 Low
Australia (a)	431.00	431.45	522.63 (19/5)	404.65 (25/11)
Belgium (b)	96.82	95.59	114.12 (6/2)	87.15 (25/10)
Denmark (d)	100.16	99.46	117.70 (19/5)	96.48 (1/12)
France (e)	56.3	56.4	74.5 (5/5)	54.5 (1/12)
Germany (f)	727.4	730.0	821.7 (17/3)	687.7 (29/10)
Holland (g)	85.4	85.2	106.3 (5/2)	77.9 (15/10)
Hongkong (h)	446.40	438.99	465.55 (17/3)	304.56 (2/1)
Italy (k)	74.51	75.96	91.37 (25/2)	64.35 (10/11)
Japan (m)	—	363.98	384.88 (29/12)	326.28 (5/1)
Singapore (n)	254.51	—	286.16 (3/2)	236.35 (2/1)
Spain (p)	71.44	71.64	100.79 (7/6)	(1.44 (30/12)
Sweden (q)	393.88	391.54	476.95 (10/6)	366.51 (5/11)
Switz'rl'd (r)	284.9	284.2	298.6 (12/3)	260.5 (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10); (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/75. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

F.T. CROSSWORD PUZZLE No. 3,270

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 Girl bound to sound in doubt (8)
5 Incentive for getting all one can eat with a penny (6)
10 Workers supporting the flag (5)
11 Never face broken bearing (9)
12 A stroke at Wimbledon in advance (9)
13 Clean but untidy cut (5)
14 Trendy humour dealt a blow (4, 2)
15 Object to TV comedian being in such position (7)
18 Attack a horse about to go on board (7)
20 Ought demonstration to be by speech (6)
22 Understand it is a number (5)
24 Churchman exercising a restraining influence (9)
25 Signal for start of racial contest to become attached to explosive (3, 6)
26 A water supplier emerges forcefully (5)
27 Imagined doctor got team changed (6)
28 Change for instance round to bring the other person within (5, 3)

DOWN

1 Masses need this book (6)
2 Getting fit to use flavouring (9)
3 Where to find a porter at Waterloo (11, 4)
4 Employee staggering about in taverns . . . (7)
6 . . . used to transport handicapped (having no legal sanction) bearing . . . (7, 8)
7 . . . material family take to pole (5)
8 Came before page withdrew (8)
9 Pop goes the promise (6)
16 Embarrassed to bring injury to a leg-puller (3, 2, 4)
17 Bound to find musicians getting on (8)
19 Tot from South Africa found in silk (6)
20 Dial Ron and get wrong number (7)
21 Film star makes lasting impression on ring (6)
23 Information that is provided by sprite (5)

Solution to Puzzle No. 3,269

TABLET ASPIRING / SHORTHAND PSALM / COKE OPALESCENT / SPENCER RETAIL / ADDICT WOOLLY / SMATTERING ANON / ENTER UPHOLSTER / THRILLER SPONGY

The solution and winners of last Friday's Christmas prize crossword will be published on Saturday, January 8.

RACING BY DOMINIC WIGAN

Happy New Year for champion Francome

PROVIDED FREEZING weather does not set in at Cheltenham, to-day's meeting there will take place as planned.

After an afternoon inspection yesterday, the go-ahead was given for this afternoon's seven-race card, which is due to get underway at 12.15 now that Div. 1 of the Malvern Novices Hurdle has had to be split.

One man who seems sure to be relishing the prospect of to-day's sport on this, his favourite course, is John Francome the champion jockey.

In addition to his ride on Border Incident in the Old Year Handicap Chase, Francome has several likely looking mounts for Fred Winter's Uplands Stable.

In spite of his slightly disappointing defeat at the hands of Tree Tangle in the Black and White Whisky Gold Cup at Ascot on November 20, I do not intend deserting the Richard Head-trained Border Incident, for he has nothing of the calibre of the Marlborough seven-year-old to deal with on this occasion and will, furthermore, almost certainly be seen to greater advantage over the additional half-mile.

I take him to return to winning form with a clear-cut success over a strongly fancied Newmarket rival, Zongalero, whose only previous run this term resulted in a five-lengths victory at Newcastle, where he was never troubled to hold his closest pursuer, Newfoundland.

Two possible Uplands-trained winners for Francome, who is well on the way to achieving his first century in a season, are Green Pound, among the runners for the Western Long Distance Novice Chase, and Jackadandy, who goes for Div. II of the Malvern Hurdle just over an hour later.

Green Pound, a progressive bay son of Even Money, was beaten a long way in fourth place when chasing home Brave Kid, Church Belle and Rathdaniel, over the minor obstacles at Kempton last time out.

However, he is reported to have been going particularly well in his schooling over the larger obstacles and could well prove up to causing a surprise on this occasion.

Jackadandy, the top weight with 11 st. 10 lbs. in this 25-runner event, seems sure to make a bold bid to follow up recent Warwick and Towcester successes, but it may pay backers to rely on the proven class of the unplaced Colonial Cup runner, the Bo-Weevil.

CHELTENHAM

12.15—Bremner
12.45—Linkenholt
1.15—Abo
1.50—Border Incident***
2.25—Green Pound*
3.00—Hiram Maxim
3.30—Bo-Weevil**

OVERSEAS SHARE INFORMATION

NEW YORK

GERMANY ♦

MILAN

AUSTRALIA

BRUSSELS/LUXEMBOURG

SWITZERLAND

PARIS

TOKYO †

AMSTERDAM

JOHANNESBURG

SPAIN ♥

BRAZIL

STOCKHOLM

COPENHAGEN

OSLO

VIENNA

CANADA

[illegible]

Pilot options scheme for Singapore market

BY OUR OWN CORRESPONDENT

SINGAPORE, Dec. 30.

THE STOCK EXCHANGE of Singapore (SES) is to introduce a pilot scheme on options trading from February 1 next year.

According to the General Manager of the Exchange, Mr. Lim Choo Peng, the SES studied in great depth options trading in Australia, Canada, and the United States before adapting a system to suit local conditions.

The underlying securities for which options will be traded will be announced later, but market sources believe that they will probably number less than ten initially.

These securities, however, must be listed on the SES and characterised by a substantial number of outstanding shares which are widely held and actively traded on the stock market.

Details of the scheme have not yet been announced officially, but market sources disclose that the scheme will be restricted to call options only.

A call option contract will entitle the buyer or taker to buy a fixed number of shares of the underlying security at a stated price on or before a fixed expiry date.

Under the SES scheme, the standard quantity for a single option contract will be for 1,000 shares of the underlying security, while the duration of each series of options will be nine months.

However, to ensure that there will be a maturity every three months during the initial period, the SES is expected to introduce during this period only options for three months', six months' and nine months' duration. Upon the expiry of each of these series only options of nine months' duration will be open for trading.

The exercise price of the option will be determined by the SES at the time of the commencement of each series of options.

The SES has already set up a subsidiary known as the Options Clearing Corporation (OCC) to serve as a clearing house for options transactions.

All options transacted through members of the SES must be registered with the OCC in their own names on behalf of their clients. A nominal registration fee will be payable to the clearing house.

No options certificates will be issued by the OCC. Instead, the OCC will maintain a daily report of options registered in each of the accounts of members of the SES, and each member is required to maintain a continuous record of its respective clients' positions in options.

A client can only exercise or close his options position through the broker handling his account in which his option position is held.

The brokerage rate for options transactions has not been announced, but is expected to be around 1¼ per cent. of the value of the premium, subject to a minimum brokerage of 5 Singapore dollars.

ITALIAN COMPANIES

Aid for EGAM approved

BY DOMINICK J. COYLE

ROME, Dec. 30.

THE ITALIAN cabinet approved to-day, as expected, emergency funds for the financially-troubled state minerals agency, EGAM, a number of whose operating subsidiaries are, in effect, facing imminent bankruptcy.

However, this short-term assistance, to be provided by the Treasury, is considerably less than the company and the trade unions involved in EGAM had sought, and at L90bn. (£65m.) is not much more than is required immediately to meet salary needs.

Ministers had no immediate comment following to-day's cabinet, but it is evident that the minority Christian Democrat government of Sig. Giulio Andreotti is not prepared to be pressurised into holding out a virtually open-ended financial net to such state-sector groups as EGAM currently in financial difficulties.

EGAM itself, whose management has been under a special commission since last September, is known to have debts of some L875bn. (£625m.) as of last September, roughly 90 per cent. of which are short-term. This situation applies against a background in which Italian banks are under government orders to reduce advances to corporate clients as part of the Andreotti administration's present austerity programme.

Fiat reduces stake in Grandi Motori

FIAT SPA has reduced its participation in Grandi Motori Trieste SPA, a manufacturer of motors for ships and industry, to 25 per cent. from 50 per cent. following a capital operation to wipe out losses, a Fiat spokesman said, reports Reuter from Turin.

Grandi Motori Trieste is capitalised at L16bn. Its capital has been reduced to zero and reconstituted, with Fiat participating in the capital reconstitution for only 25 per cent.

The remaining 75 per cent. is held by State shipbuilding group Financantieri, Fiat's partner when the firm was set up 10 years ago through amalgamation of a Fiat subsidiary and two other companies.

L13bn. loan for Immobiliare

GENERALE IMMOBILIARE SPA has obtained a loan of just under L13bn. from Italcasse, the banking unit of the Italian Savings Banks Association, to meet financing needs in advance of a L58.3bn. planned capital increase, a company spokesman said, reports Reuter from Rome.

Earlier this month Treasury Minister Gaetano Stammati recommended the firm be granted credit from the banking sector in the absence of Bourse interest in the capital increase to save it from bankruptcy.

The Immobiliare spokesman could not say whether the Italcasse loan forms part of a Treasury plan to rescue the company, and no information was immediately available from Italcasse.

Lufthansa increases turnover, profits

By Nicholas Colchester

BONN, Dec. 30.

PRELIMINARY results for Lufthansa in 1976 reflect the German airline's share of an economic recovery. The company will report a profit for the year greater than the DM69m. returned in 1975, according to a director, Dr. Klaus Bruchhaeuser.

A turnover increase and improved use of capacity have been the main factors behind Lufthansa's increased profitability this year. The first estimates suggest that the airline has carried more than 11m. passengers in the past year, an increase of around ten per cent. on the 10m. that flew in the previous year.

Lufthansa's freight figures are better still. They show a 20 per cent. increase to 310,000 tons. Postal freight totalled 42,000 tons—or seven per cent. more than in 1975. All in all the airline flew a total potential load of 4.4bn. ton-kilometres, or eight per cent. more than in the previous year and was rewarded with total bookings of 2.55bn. ton-kilometres—an increase of 11 per cent.

The important use-of-capacity ratio is thus expected to have climbed by one per cent. to 58 per cent.

Further move in U.S. by Sandoz group

By John Wicks

ZURICH, Dec. 30.

THE SWISS chemical company Sandoz AG, of Basle, has announced that its U.S. subsidiary Delmark, of Minneapolis, is in the New Year to takeover the shares of Chicago Dietetic Supply Inc.

Based in La Grange, Illinois, this undertaking is engaged in the development, production and marketing of dietetic specialities. The Sandoz group is already active in this field through its Berne-based subsidiary Wander AG, to whose production programme Ovaltine belongs.

The new acquisition follows that of the seed business of Rogers Brothers, Idaho Falls, and more recently of the large seedsmen's concern Northrup, King Minneapolis.

EUROBONDS

$100m. issue by ICI International

BY TONY HAWKINS

ICI INTERNATIONAL Finance, a wholly owned subsidiary of ICI Limitd., is raising $100m. in the Eurobond market with a private placing of 10-year bonds on an 8¼ per cent. coupon. The bonds, which will have an average life of 8.6 years, are priced at par and the issue is being jointly co-managed by Deutsche Bank and S. G. Warburg and Co.

This follows a highly successful Euromark issue of DM100m. by ICI which was completed earlier this month. This is ICI's first dollar bond issue in the Euromarket since 1972, but in 1975, the group raised $100m. in the U.S. capital market.

Other members of the management group are Credit Suisse White Weld, UBS (Securities), Swiss Bank Corporation, Amro and European Banking Company.

Also in the dollar sector, the Swedish ball-bearing group SKF is to raise $30m. with a 10-year bond issue (average life 7.6 years) on an 8 per cent. coupon. The managers are Morgan Stanley International, Skandaviska Banken and Credit Suisse White Weld.

Eurofina (The European Company for the financing of Railroad rolling stock) is raising $50m. with an issue of seven-year bonds (average life six-and-a-half years) on a 7¾ per cent. coupon. Pricing is on January 12 and a discount is anticipated. Lead managers are Smith Barney and Co. and Swiss Bank Corp. (Overseas).

Previous issues by Eurofina in the Eurobond market have obtained a triple-A rating from both rating agencies.

The coupon has been cut from 8¼ per cent. to 8 per cent. for the $20m. Sumitomo Heavy Industries issue. It is understood that the issue is meeting extremely heavy demand despite the decision to reduce the rate of interest.

In the secondary market prices continued their advance in restricted trading and the Bondtrade index moved ahead to new peaks. The medium term index at 102.79 is at a new record high. The index (base December 30, 1966 = 100) reached its previous record high of 102.25 in August 1967. The long term index at 94.87 is at its highest point since April 1973 while the convertibles index at 108.63 is at a two-and-a-half year high.

BONDTRADE INDEX

	Thurs.	Wed
Medium	102.79	102.77
Long	94.87	94.84
Convertibles	108.63	108.62

State corporation takes over Gulf's Ecuador holdings

BY SARITA KENDALL

QUITO, Dec. 30.

THE ECUADORIAN state oil corporation, CEPE, is to take over Gulf Oil's holdings in Ecuador tomorrow. Gulf has a 37.5 per cent. share in the consortium exploiting Ecuador's Amazon oil—added to CEPE's existing 25 per cent. holding, this will give the state corporation a majority of 62.5 per cent., against Texaco's 37.5 per cent.

Though the final amount to be paid by CEPE has not yet been announced, it is expected to be about $82m, of which some $70m. represents Gulf's investment in the exploration and development of the oilfields. The remainder is said to constitute Gulf's share in the Trans Andean pipeline but the total cost of the pipelines has never been agreed on, and Gulf claims a much higher figure.

Earlier this year, Gulf filed a $5m. suit in Los Angeles against ARCO over the latter company's purchase of 900,000 barrels of Ecuadorian oil from CEPE. According to Gulf, the shipment included oil owned by Gulf itself, and the company refused to recognise CEPE's claim to 25 per cent. of the production figure set by the Ecuadorian government. The real amount produced had been consistently lower, and there had been accusations of sabotage made against the foreign companies.

Soon after the ARCO conflict, the Minister of Natural Resources, Colonel René Vargas, issued Gulf with an ultimatum demanding payment of its debts to the central bank within 30 days. Gulf paid the $53m. at the last moment, but anyway went ahead and negotiated its withdrawal from Ecuador.

CEPE's 62.5 per cent. share in Amazon oil production amounts to about 30,000 barrels a day at the existing level, but total production may be raised to a maximum of 235,000 b.p.d. when new fields are incoroporated into the output.

Last Monday the Esmeraldas oil refinery was handed over to CEPE, but it will not be fully operational until the end of next March, when the marine oil terminal should also be completed. The new refinery has a capacity of 55,000 b.p.d. and represents a total investment of nearly $120m. Work has also started on a $19m. gas processing plant in the Amazon region.

Ecuador earned $520m. from oil exports between January and November this year, just over half the country's total exports. With the acquisition of Gulf's holdings and the progress in its oil industrialisation programme, Ecuador is taking a major step towards controlling its principal source of wealth.

SCPR acquisition by Ferodo mooted

PARIS, Dec. 30.

FERODO S.A., major French manufacturer of auto brakes and other parts, is reported to be close to acquiring control of Societe Cibie-Paris-Rhone, biggest makers of auto spot and fog lights, industry sources said on Wednesday, reports AP-DJ.

If the deal is confirmed, Ferodo, which has already absorbed Societe Sev-Marchal, will have a virtual monopoly in the field of auto lighting equipment in France, with a group turnover of over Frs.4bn.

Company officials were not available for comment.

The operation is likely to be carried out through Societe Financiere d'Equipements Automobiles (FEA), a holding company 70 per cent. owned by Ferodo and 30 per cent. by Robert Bosch AG of West Germany, the sources said.

Consolidation of the sector has long been sought by the French Government which has favoured the creation of a powerful unit to better face foreign competition.

Turner and Newall of Britain has a 10 per cent. interest in Ferodo.

● Regie Nationale des Usines Renault said on Thursday that it expects to report overall "reasonable results" for 1976, and that it is better prepared to meet likely "uncertainties and difficulties" next year, reports AP-DJ from Paris.

The State-owned car maker, France's biggest, posted a loss of Frs.551.2m. in 1975.

This year Renault will have produced a record number of motor vehicles with 1,857,000 units, up 19 per cent over 1975, and 17 per cent. over 1973, which was considered the best year for the French motor industry, it said. The total includes 1.5 million private cars.

Soaring profit brings higher NMB dividend

By Michael Van Os

AMSTERDAM, Dec. 30

NEDERLANDSCHE Middenstandsbank (NMB), Holland's third largest commercial bank, to-day announced an unchanged interim dividend. On the strength of a favourable development of business this year and the expectation of a "substantial" increase in profits, an increase in the final may be expected.

The bank's interim is Fls 3.75 in cash or, optionally, Fls.2.50 in shares charged to the premium reserve. Last year's total dividend was Fls.8.50 cash or optionally Fls.4.75 cash plus 5 per cent. premium stock.

So far, NMB, in which the Dutch Government has a 26 per cent. interest and which is a member of the Inter-Alpha consortium, has only given its first half net profit figure which, at Fls.37.9m., had been up 38 per cent. on the same period last year.

It had stated in October that although there had been a substantial growth of business, results in the second half could be affected to some extent by narrowing interest margins. In the second half of 1975, the bank recorded an earnings growth of 33 per cent. which constituted a relatively strong increase. As at June 30, 1976, NMB's balance sheet total stood at Fls.20.6bn.

● Algemene Bank Nederland (ABN) said here to-day that the name of its German acquisition, Deutsche Industrie - Finanzierungsbank (DIFAG), in Frankfurt, whose share capital it fully owns, will be changed into Algemene Bank Nederland (Deutschland) AG. This will take effect from to-morrow

COMMODITIES/Review of the week

Tin prices surge to new peaks

BY OUR COMMODITIES STAFF

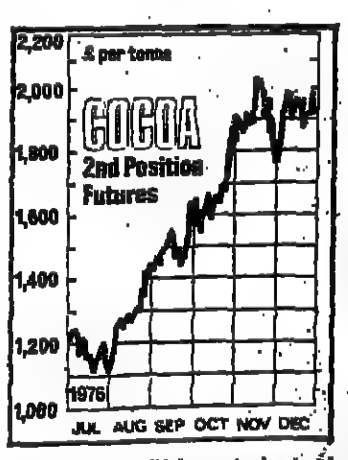
TIN PRICES leapt to new peaks on the London Metal Exchange yesterday. Cash tin gained £130 to £5,260 a tonne, a rise of £235 in two trading days. The three months quotation jumped £141.5 to £5,292 after gaining £43.5 on Wednesday.

The surge in prices was triggered by a sharp rise in the Penang market which moved up from $M1,250 a picul last Friday to $M1,292.5—in the upper sector of the new Tin Agreement price range agreed earlier this month.

A further drop in LME warehouse tin stocks brought fears of a shortage of immediately available supplies.

The market was unsettled by Bolivia's announcement that it was not prepared to ratify the Tin Agreement by the scheduled date of December 31. Bolivia considers the price range increase earlier this month was not sufficient to meet the rise in production costs. It is also resentful of the lack of voluntary contributions by the consumer countries to the proposed enlarged buffer stock.

The trade is confident that Bolivia, the world's second largest producer of tin, will eventually decide against wrecking the agreement. But meanwhile a special session of the Tin Council will have to be held, probably after the regular scheduled meeting on January 6, to extend the agreement provisionally for six months.



Copper prices were also firm, despite another big increase in warehouse stocks taking total holdings very close to the 600,000 tonnes mark. Cash wirebars last night at £795.5 a tonne had gained £13.75 in the past two trading days.

The rise was based on expectations that 1977 will see improved demand for copper. It is hoped that Mr. Carter will stimulate the U.S. economy and that in any event consumers will increase stocks against the possibility of a strike when the U.S. copper workers three-year labour contracts expire in the summer.

On the "soft" commodity markets, cocoa and coffee continued to provide most of the action. Coffee prices sustained their biggest setback for five months on Wednesday, closing £80 down after being more than £140 lower at one stage. The decline was based on reports of growing U.S. consumer resistance to the high coffee prices, including a boycott threat.

But these losses were quickly wiped out yesterday when market prices surged again to £2,817.5 a tonne following a higher trend in New York and a move by Brazil to cut the favourable terms offered on sales from its Trieste and Hong Kong warehouses. There were also rumours of Brazilian minimum export prices being raised.

Cocoa prices lost ground too, partly depressed by the settlement of the Jacques Borie shipments dispute which could also have affected the coffee market.

But a lower than expected Ghana purchase figure, and renewed speculative buying interest, brought a recovery yesterday, when the market was the permissible limit up at one stage before falling back again.

WEEKLY PRICE CHANGES

	Latest prices per ton unless stated	Ch'ge on week	Year ago	1976 High	1976 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest prices per ton unless stated	Ch'ge on week	Year ago	1976 High	1976 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MARKET REPORTS

BASE METALS

COPPER—Steady on the London Metal Exchange. Forward metal opened at £830 and climbed to £832 before profit-taking clipped gains. But in the morning's second ring fresh trade buying caused a rally and thereafter the price traded between £828 and £832, held up by end of the year booksquaring operations and a steady performance on Comex. The closing price on the kerb was £829. There was a net gain of £14 over the two days' trading so far this week. Turnover: 12,315 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	795.5-6	+2	795-6	+1.25
3 months	829-30	+1.25	828.5-9	+.5
Settlem'nt	796	+2	—	......
Cathodes				
Cash	778.5-8.5	-2.75	777.5-8.5	-4
3 months	813-4	-3	811-3	-4
Settlem'nt	779.5	-2.5	—	......
U.S. Smt.	—	......	—	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £795, 95.5, three months £828, 27, 26, 27, 28 to 29.5. Cathodes cash £780, 81, 80, three months £817, 16, 15, 15.5. Kerbs: three months £828, 27, 28, 28.5. Afternoon: Wirebars three months £829.5, 29, 28.5, 29, 28, 28.5, 29. Cathodes cash £778, three months £813. Kerbs: three months £828.5, 9, 9.5.

TIN—Climbed to record levels in heavy trading. A sharp rise in the Eastern price overnight caused forward metal to open at £5,210 and the price advanced throughout the day. Against the background of uncertainty about Bolivian intentions regarding the new international tin agreement, speculative and chartist buying spurred the market. There was some covering of nearby dates and a squeeze on January and February was apparent. The closing price on the kerb was £5,300. In the two days of trading so far this week the forward price has risen £195. Turnover: 2,155 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

LEAD [illegible]

ZINC [illegible]

GRAINS

THE BALTIC—A small tonnage of EEC barley traded for Jan. shipment to the South Coast. Interest was also evident for barley for late Jan. shipment to Belfast. Other imported grains were neglected at generally unchanged selling levels.

Wheat: EEC Feed Jan. £84.00 East Coast.

Maize: No. 3 Yellow American/French Jan. £82.50 East Coast.

Barley: EEC Feed/Canadian Jan. £82.00 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA) [illegible]

[illegible]

Scotch medium 44.0 to 49.0, heavy 42.0 to 47.0. Imported frozen: New Zealand PL 47.0 to 47.5, PM 45.0 to 46.0, YLs 45.0 to 46.0.

Pork: English, under 100 lb 32.0 to 39.0, 100-120 lb 32.0 to 38.0, 120-160 lb 32.0 to 37.0.

MEAT COMMISSION—Average fatstock prices at representative markets on December 30: G.B. Cattle £39.98 a live cwt. (39.02p a kg. l.w.) — -1.45 (-2.95p a kg.). U.K. Sheep 53.4p a pound est.d.c.w. (122.1p a kg. l.w.) — -2.5 (-5.8p a kg.). G.B. Pigs £4.81 a sc.l.w. (53.0p a kg. l.w.) — +0.35 (+3.9p a kg.). England and Wales—Cattle average [illegible]

[illegible]

SILVER

[illegible]

COCOA

[illegible]

MEAT/VEGETABLES

[illegible]

SOYABEAN MEAL

The market opened about £1.30 down in thin volume, reports SNW Commodities. Both the Chicago and Continental markets remained quiet but steady throughout the day, mainly due to the oncoming holiday. Prices tended to firm as sterling eased. The market closed about £1.00 down from Wednesday's levels.

	Yesterday's Close	+ or —	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

SUGAR

[illegible]

JUTE

[illegible]

COFFEE

[illegible]

RUBBER

SLIGHTLY STEADIER [illegible]

WOOL FUTURES

[illegible]

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Further lift for coffee

NEW YORK, Dec. 30.

THE COPPER market closed firm on local short-covering. Silver closed easier on light Commission House selling. The soyabean market was firm on local short-covering. Coffee continued higher on trade buying. Sugar closed firm on mixed short-covering, Bache comments. All commodity markets in New York and Chicago will be closed to-morrow.

Cocoa—Ghana spot 136½ (135½). Bahia spot 134½ (133½). March 141.25 (139.65), May 135.40 (134.00), July 130.13, Sept. 123.30 nom., Dec. 113.40, March 109.40 nom., May nil. Sales: 1,020.

Coffee—"C" Contract: March 224.40-224.50 (217.95), May 222.35 bid (216.85), July 223.00 bid, Sept. 220.05 bid, Dec. 216.25 bid, March nil. Sales: 1,405.

Copper—Jan. 62.40 (62.20), Feb. 62.50 (62.60), March 63.20, May 64.10, July 65.00, Sept. 65.90, Dec. 67.00, Jan. 67.40. Sales: 2,238.

Cotton—No. 2: March 73.20 (74.10), May 76.00 (76.73), July 76.40, Oct. 71.40, Dec. 67.15-67.35, March 67.45-67.60, May 67.55-67.75. Sales: 3,200.

Gold—Jan. 135.30 (134.60), Feb. 135.70 (135.10), March 136.20 (135.60), April 136.70, June 137.70, Aug. 138.80, Oct. 140.10, Dec. 141.40, Feb. 142.70, April 144.00. Sales: 1,065.

Greasewool—Spot 170.0 nom. (same), March 163.0 bid (164.1 bid).

Lard—Chicago loose 20.50 nom. (same traded). New York prime steam 22.00 (same).

Maize—March 256¾-256½ (256¾-256¾), May 262-261¾ (262-262¾), July 265¾-265¾, Sept. 264¾, Dec. 262¾-262½.

Platinum—Jan. 149.50 (150.60), April 152.00 (152.70), July 154.60, Oct. 156.70, Jan. 160.00, April 162.70. Sales: 273.

Soyabeans—Jan. 706-707 (699½), March 712-710¾ (706½), May 705-707, July 700-701, Aug. 689½, Sept. 650, Nov. 636, Jan. 642-642½, March 647.

Soyabean Meal—Jan. 205.30-206.00 (202.90), March 209.20-209.30 (207.00), May 205.30-205.00, July 206.00-205.50, Aug. [illegible]

[illegible]

HOME NEWS

Car of the Year award goes to Rover 3500

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE NEW Rover 3500 has beaten off stiff competition from the revised Audi 100 and the Ford Fiesta to collect the coveted Car of the Year award for British Leyland.

The award, based on the votes of 49 European motoring journalists, will give a much-needed boost to morale in the company at a time when it is struggling to increase output of the vehicle.

Last year the award went to the Chrysler Alpine, which has since had a highly successful introduction in Europe. It has previously been won by vehicles such as the Jaguar XJ6, the Citroen CX and the Fiat 127.

Leyland's success also comes in a year when there has been tough competition right across the range—from the Audi 100 and the Lancia Gamma in the same executive sector of the market, to the Ford Fiesta in the small car class and the Renault 14 in the mid-market sector.

The question now is whether Leyland can capitalise on the publicity which follows in the wake of the award to get the Rover off to a good launch in Europe.

The company has arranged to introduce the car in Switzerland in April. It hopes to launch it in Germany, but much depends on the speed of the production build-up.

Below target

So far, output of the vehicle is well below the target of about 2,000 a week which Leyland had set by the beginning of next year. When it was introduced last June, the car was priced competitively against its major rivals on the basis of plans for relatively high production. This policy has been thrown off-course by a variety of industrial problems.

The most important of these was the electricians' strike at Castle Bromwich—which halted the supply of Rover bodies—and the series of Rubery Owen disputes. There is a six-month waiting list for the car.

Production is running at about 500 a week on two assembly lines. Leyland's plans depend on achieving this output level from one line only. On a double shift system, which is planned for later next year, this would bring weekly output up to 2,000 units.

Leyland has sold more than 5,000 Rovers since the launch at a retail value of about £25m.

Welcoming the award, Mr. Derek Whittaker, managing director of Leyland Cars, said last night: "We have had our share of problems lately, but this award shows that we can make it.

"It is a tremendous morale booster for our 120,000 employees throughout the country, and in particular for our design and development team headed by Spen King and David Bache."

Thatcher sees grim days with Socialism

BY RICHARD EVANS, LOBBY EDITOR

THE COUNTRY faces "a grim and perhaps disastrous New Year" according to Mrs. Margaret Thatcher, in a message to Conservatives published in the party's Monthly News yesterday.

But the Tory leader added that there was one ray of cheer—the decisive repudiation of the Government by the people in successive by-elections.

"Socialism, in all its malice and incompetence, has been so thoroughly rebuffed by the voters that the Government will now delay as long as it conceivably can any by-election test in a Labour-held seat," she declared.

What was evident at Workington and Walsall as much as at Cambridge and other places was that the people were voting not merely against the Socialists, but for the Conservatives.

"The people's hope that the Conservatives can re-create a Britain strong, prosperous, respected and above all free must be a sacred trust. We have offered no sugar coated palliative for the nation's problem."

Mrs. Thatcher insisted that in every by-election it was the Tory candidate who had been telling the truth and pointing out the hard road back to freedom and prosperity for Britain. It was the candidates of the Labour Party who had been pedalling "the discredited Panaceas" of their creed of failure.

"I believe we have gained because we have a message of hope. Our dedication to freedom for the individual and the family; to just law and right order in society; to the encouragement of thrift and enterprise; and to the defence of the nation against its enemies, is known and traditional.

"But under the stress of recent times, we have burnished it anew. The people hope that we can re-create a Britain strong, prosperous, respected and above all free."

MP wants aid for pantomimes

MRS. RENEE SHORT, Labour MP for Wolverhampton NE, and chairman of the Theatres Advisory Council, has warned that pantomimes will disappear unless more Government money is pumped into the arts, particularly the theatre.

She is to lead a deputation to the Prime Minister in the New Year. It will include officials from TUC and Labour Party groups concerned with the arts.

Cut-price rail travel offer

WESTERN REGION is to offer more than 8,000 seats at a reduced day return fare of only £2.50 on a limited number of midweek and Saturday Inter-City 125 trains from London Paddington and Reading to Bath, Bristol and South Wales for 10 weeks commencing on January 18.

They will be available, subject to at least two people travelling together, on certain trains on Tuesdays, Wednesdays, Thursdays and Saturdays to South Wales and on most Saturdays to Bath and Bristol. Bookings must be made in advance.

Labour line on council finance attacked

BY DAVID CHURCHILL, LABOUR STAFF

THE GOVERNMENT'S handling of local government finance was attacked yesterday by Mrs. Margaret Thatcher, the Conservative leader.

It, she claimed, had "totally failed to distinguish between those councils which have made genuine attempts to economise, and other councils which have spent much of the ratepayer's money extravagantly and wastefully."

Mrs. Thatcher launched the attack in a letter to a Labour councillor, in which she defended the decision by the Conservative-controlled Kingston Borough Council to appoint four new directors at a time when the council's services were being cut.

Mr. Andrew MacKinley, a Labour councillor on Kingston's council, had asked Mrs. Thatcher to intervene because of the Tory policy of cutting bureaucracy and expenditure in local government.

She had been told that estimates of the cost of the new directors ranged from £30,000 to £100,000 a year, even when some deputy chief officers' jobs were abolished.

Mrs. Thatcher said, however, that the new management structure would be more efficient and streamlined than the old system and that a "conservative estimate of eventual savings would be £20,000 a year."

If the Government was able to distinguish between efficient and inefficient authorities and give a real incentive to the economy, "then efficient and prudent councils like Kingston would be saved much of their present pain and agony" over cuts in services to the public.

Mr. MacKinley said last night Mrs. Thatcher's reply revealed a basic misunderstanding of the workings of local government.

BANK RETURN

—	Wednesday Dec. 29 1976	Inc. (+) or Dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	16,491,298	— 1,681,862
Special Deposits	1,837,495,000	—
Bankers	538,240,646	— 331,351,784
Reserves & Other Accs.	422,977,568	— 9,444,120
	2,829,757,412	+330,105,612
ASSETS		
Govt. Securities	1,743,220,995	— 193,905,000
Advances & Other Accs.	987,778,658	+ 127,181,461
Premises, Equip't & other Secs.	84,684,653	— 15,266
Notes	8,906,159	+ 45,472
Coin	266,949	+ 58,421
	2,829,757,412	+ 330,105,612
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	7,300,000,000	— 50,000,000
In Circulation	7,291,093,841	— 49,045,472
In Bank'g Dept.	8,906,159	— 954,528
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	5,926,706,900	— 236,406,726
Other Securities	1,362,720,000	+ 165,406,726
	7,300,000,000	— 50,000,000

FOOD PRICE MOVEMENTS

	Dec. 30 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,025	1,025	1,025
British A.1 per ton	990	990	990
Irish Special per ton	990	990	990
Ulster A.1 per ton‡	985	985	985
BUTTER (packet)			
NZ per 20 lbs	—	9.51- 9.59	9.51- 9.59
English per cwt†	—	57.12	57.12
Danish salted per cwt	—	58.50-60.48	58.50-60.48
CHEESE*			
English cheddar rindless per tonne	—	990.11	990.11
NZ per tonne	—	896.50	896.50
EGGS*			
Home-prod. Standard	—	3.85- 4.10	4.20- 4.35
Large	—	4.00- 4.30	4.40- 4.55

	Dec. 30 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scottish killed sides (ex-KKCF)	46.5—51.0	—	47.0—51.0
Eire forequarters	32.0—36.0	—	35.0—38.0
LAMB			
English	44.0—49.0	—	40.0—46.0
NZ PLs-PMs	47.0—47.5	—	—
MUTTON			
English ewes	—	—	—
PORK (all weights)	32.0—39.0	—	31.0—39.0
POULTRY			
Broiler chickens	29.0—33.0	29.0—30.0	29.5—32.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ For delivery January 1-8.

Campaign to boost dairy sales

By Peter Bullen

BRITAIN'S DAIRY industry will spend a record £7m. to £10m. on promoting milk and dairy products next year.

The National Dairy Council said yesterday that it would spend £5m. and the Milk Marketing Board would contribute another £2m. Individual dairy companies would spend large sums on promoting their products.

Behind the decision to spend an extra 20 per cent. on advertising and promotional work is the industry's fear of a further fall in milk sales caused by rising retail prices.

Milk prices go up by 1p a pint on Sunday. Ordinary milk will then cost 10½p a pint—a rise of 91 per cent. since January, 1974.

Already consumer resistance to dearer milk prices has been noticed by the industry. In the three months since the last 1p-a-pint increase early in September, sales have fallen by more than 9m. gallons or 2.4 per cent.

In addition to the 1p extra on milk prices, consumers face an extra 8p a lb on Cheddar cheese, which will be spread over the next few months because of large stocks overhanging the market. The rise is due to a cut in the subsidy from January 4 and a rise in processing costs.

The removal of the remaining £89-a-tonne butter subsidy will put up retail prices by 4p to 5p a lb. over the next few weeks.

Later in the year butter prices should rise in two stages by a total 12p a lb. to bring the U.K. more into line with EEC price levels.

Little increase in energy consumption

By Kevin Done, Industrial Staff

ENERGY conservation, a warm summer and depressed levels of industrial activity resulted in little increase in energy consumption in the three months from August to October compared with the same period last year.

Total energy consumption for the three months was less than 1 per cent. up. This small rise was accounted for by increases in natural gas and nuclear-produced electricity demand.

Coal consumption hardly changed from last year's levels and demand for petroleum, which fell away sharply in October, was 3 per cent. lower during the period as a whole.

Deep-mined coal output, at 28m. tons in the three months from September to November, was about 2.5m. tons less than in the same period last year.

Entertainment Guide

OPERA & BALLET

COLISEUM. 01-836 3161. ENGLISH NATIONAL OPERA. Today Special New Year's Eve perf. & Tue. 4.30 Twilight of the Gods. Tomor. 7.30 La Belle Helen. Wed. 7.30 La Traviata. Thur. 7.30 A Night in Venice.

COVENT GARDEN. 240 1066. (Gardencharge credit card booking 836 6903.) THE ROYAL OPERA. Tonight 7.30: L'elisir d'amore. THE ROYAL BALLET. The Royal Opera House Covent Garden regrets that ROMEO & JULIET on SATURDAY 1st JANUARY MATINEE HAS BEEN CANCELLED owing to an industrial dispute with N.A.T.T.K.E. staff. An alternative perf. will be arranged for which 1st Jan. matinee tickets will be valid. Alternatively refunds will be available at the Box Off. or by post. Full details of the replacement performance will be announced on Tues. 4th Jan. The evening perf. of Romeo & Juliet at 7.30 Sat. 1st Jan. will take place as scheduled. 65 Amphi seats for all perfs. on sale from 10 am on day of perf.

ROYAL FESTIVAL HALL. Until Jan. 15 LONDON FESTIVAL BALLET in spectacular new production of THE NUTCRACKER. Today at 3. Nicol. Dubreuil. Tonight 7.30. Ruanne. Bert. Book 928 3191. General information 928 3002.

SADLER'S WELLS TH. Rosebery Ave. EC1 837 1672 Until February 26. D'OYLY CARTE. Tonight 7.30. Sat. Tue. & Wed. 2.30 & 7.30 Patience. Thur. 7.30 The Mikado.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0. Sat. 4.0. IRENE. "LONDON'S BEST NIGHT OUT. SPECTACLE CAPTIVATING TUNES AND RACY COMEDY." People. IRENE. "SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express. IRENE. INSTANT CONFIRMED CREDIT CARD BOOKINGS ON 01-836 7611.

ALBERY. 836 3878. Evgs. 8. Mat. Th. 3. Sats. 5.0 and 8.15 sharp. National Theatre Production. MICHAEL JAYSTON. EQUUS by PETER SHAFFER. Directed by John Dexter. "STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf. 836 5332. Evenings 7.30. Mat. tomor. 2.30. ROYAL SHAKESPEARE COMPANY in Repertoire. Today & tomor. John O'Keeffe's WILD OATS. "The Royal Shakespeare Company have struck gold." Sunday Times. Also Arbuzov's OLD WORLD (Next perf. Mon.)

AMBASSADOR'S. 836 1171. Eves. 8. Tues. 2.45. Sat. 5.30, 8.30. Seats £1.75 to £3.50 or Dinner-Top price seats £6.30. NIGEL PATRICK. PHYLLIS CALVERT. ISABEL DEAN. JENNIFER HILARY in DENIS CANNAN'S DEAR DADDY. "THE MOST SUBSTANTIAL NEW PLAY IN TOWN." Observer. PLAY OF THE YEAR (Society of West End Theatre Award '76)

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. Pauline COLLINS. John ALDERTON "ARE BRILLIANT." D. Exp. in CONFUSIONS by ALAN AYCKBOURN. "Superb." S.Tms. LAST WEEKS — MUST END JAN. 8.

APOLLO. 01-437 2663. Previews from Jan 12 Evgs 8.00. Sat 5.00 and 8.30. (Opens Jan 17 at 7.00) JOHN MILLS. JILL BENNETT. MARGARET COURTENAY. ROSE HILL. RAYMOND HUNTLEY. AMBROSINE PHILLPOTTS and ZENA WALKER in MICHAEL BLAKEMORE'S Prod. of SEPARATE TABLES by TERENCE RATTIGAN

ARTS THEATRE. Mon. to Thurs. at 8.30. Friday and Saturdays at 7.0 and 9.15. TOM STOPPARD'S DIRTY LINEN. "HILARIOUS . . . see it." Sun. Times.

CAMBRIDGE. 01-836 6056. Twice Daily at 3.0 and 8.0. JOHN CURRY THEATRE OF SKATING. Instant Credit Cards. 01-836 7040.

COMEDY. 01-930 2578. Evenings 8.0. Mat Thurs 3.00. Sat 5.30, 8.30. Winner of all 1975 Awards. BEST PLAY OF THE YEAR. Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED. Directed by Harold PINTER

CRITERION. 930 3216. Eves. Mon. to Thur. at 8. Fri. & Sat. 5.30 and 8.30. Linda Lewis. Clarke Peters. Felix Rice. Eric Roberts and Elisabeth Welch. "Bright, breezy and bubbling with wit." People. "Hurry along to." D. Mirror. I GOTTA SHOE by Caryl Brahms and Ned Sherrin. "Nothing but pleasure." The Times.

DRURY LANE. 01-836 8108. Evenings 8 SHARP. Mat. Wed. and Sat. 3.0. A CHORUS LINE. "A RARE DEVASTATING JOYOUS, ASTONISHING STUNNER." Sun Times. "VOTED BEST MUSICAL OF 1976."

DUCHESS. 836 8243. Evenings 8.0. Fri. at 6.15 and 9.0. OH! CALCUTTA! "The Nudity is Stunning." D. Tel. 7TH SENSATIONAL YEAR

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Wed., Sat. 6.00 & 8.45. TERRY SCOTT. JUNE WHITFIELD

THEATRES

ELLE et LUI. 01-437 2661. Walker's Court, Brewer Street, W.1. Twice Nightly 8.15 and 10.15. PAUL RAYMOND presents PENETRATION. An Erotic Adventure in French Pornography.

Three days SE dealings

Thursday, December 30	3,513
Wednesday, December 29	1,978
Friday, December 24	2,211

The list below records three days' markings (including marks for December 24) and also the latest markings during this week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (661)

Greater London 6½pc 98¼. 7½pc 76½⊕. 8½pc 84¼ (29/12). 9½pc 81¼ (29/12). 12½pc 1982 94⊕ ¾

Belfast City Council 6½pc 23½

Birmingham Corp. 9¼pc 83

Birmingham Dist. Cncl. 13pc 94½ (29/12)

Bootle Corp. 7½pc 84½ (24/12)

Bristol Corp. 6½pcDb. 99 (29/12)

Buckinghamshire CC 7pc 94

Cardiff Corp. 2pc 72 (24/12)

Coventry Corp. 6pc 86½

Croydon Corp. 5½pc 97¼ (24/12)

Derby Borough Council 13½pc 98¾ (29/12)

Essex County 5½pc 96 5½

Gloucestershire CC 5¼pc 76¾

Hertfordshire CC 3½pc 76¼

Islington Corp. 14pc 94½ (29/12)

Kent Cnty. 9¼pc 84⊕

Liverpool 9¼pc 81½⊕ 79¼ 82½

Manchester 1881 3pc 1941 20 (29/12)

Middlesex Cnty. Cncl. 6¼pc 93½

PUBLIC BOARDS U.K. (17)

CMLTH. GVT. & PROV. (15)

FOREIGN STOCKS (8)

CORP. STKS.—FOREIGN (1)

U.K. & CWLTH. RAILS (2)

BANKS & DISCOUNTS (158)

CRPN. & COUNTY—U.K. (46)

THEATRES

CINEMAS

Unilever (Fr.20) $US48⅞●
Wheelock Maritime 8 7
Whim Creek 83●

DECEMBER 29

Bank of New South Wales (Aust. Reg.) 465●
Ciba Geigy 8pcCnv. £95
Herald and Weekly Times 170
Oil Search 7½
Swire Pacific A 181
Unisec Dev. and Contracting 51½
Whim Creek 80●

DECEMBER 24

Coles (G. J.) 120●
Eastman Kodak £72½●
Gulf Oil £29¼●
Haw Par Bros. 40●
Hudsons Bay Oil & Gas £29●
I.A.C. Holdings 83●
Mesa Petroleum £31¼●
Wheelock Maritime 'B' 6¼●

(By permission of the Stock Exchange Council)

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (31)

BRITISH FUNDS (7)
Treas. 6¼pc 1977 — Treas. 15¼pc 1996
Elec. 3pc 74-77 — Treas. 13½pc 1998
Treas. 14pc 1982 — Treas. 15½pc 1998 A
Treas. 14½pc 1994

AMERICANS (1)
Reliance

BANKS (2)
BankAmerica — Hongkong & Shang.

CHEMICALS (1)
Bayer AG

STORES (1)
Cope Sportswear

ELECTRICALS (1)
Ultra Elect.

ENGINEERING (3)
Eva Inds. — Walker (C. & W.)
Cummins 78-94

FOODS (1)
Kinloch

HOTELS (1)
Myddleton

INDUSTRIALS (2)
RFD — Whatman Reeve Ang.

INSURANCE (3)
Heath (C. E.) — Willis Faber
Minet Hldgs.

NEWSPAPERS (1)
Assoc. News.

SHIPPING (2)
LOFS — P&O Defd.

TRUSTS (2)
Anglo-Intnl. Asset — Camellia Invs.

OILS (2)
BP — Tricentrol

TEAS (1)
Assam Dooars

NEW LOWS (8)

BANKS (1)
Water Walker

INDUSTRIALS (2)
Brooks Watson — Tranwood

TRUSTS (2)
Mendip — York Trust

OILS (1)
Timor

OVERSEAS TRADERS (1)
Boustead

MINES (1)
Coronation Synd.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	42	18	3	41	26	79
Corpns., Dom. and Foreign Bonds	15	1	43	22	13	158
Industrials	414	151	1,097	872	481	3,670
Financial and Prop.	246	36	266	491	127	1,036
Oils	6	6	25	15	8	82
Plantation	4	5	29	5	18	95
Mines	61	10	53	108	52	212
Recent Issues	4	4	20	12	6	77
Totals	792	229	1,540	1,622	689	5,376

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	19	334	+ 7	402	256
BP	£1	12	812	+14	812	557
GKN	£1	11	277	+ 1	360	203
BATs Defd.	25p	10	225	+ 5	228	153
Marks & Spencer	25p	10	98	+ 3	108	70
Barclays	£1	9	247	+ 7	330	190
Cadb'y Schweppes	25p	9	35½	+ ½	55	30½
Courtaulds	25p	9	87	—	160	73
GUS A	25p	9	182	+ 9	224	123
Midland Bank	£1	9	262	+ 4	320	200
P & O Defd.	£1	9	124	+ 3	124	87
Shell Transport	25p	9	460	+ 6	462	352
Burmah Oil	£1	8	41	+ 1	53	25
NatWest	£1	8	222	+ 4	272	168
Weyburn Eng.	25p	8	350	+16	366	150

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1976 high	1976 low
ICI	£1	45	334	+17	402	256
BP	£1	42	812	+32	812	557
Shell Transport	25p	40	460	+18	462	332
BATs Defd.	25p	28	225	—	228	153
Barclays	£1	25	247	+12	330	190
Midland Bank	£1	25	262	+17	320	200
Marks & Spencer	25p	24	98	+ 6	108	70
Burmah Oil	£1	23	41	+ 2	53	25
P & O Defd.	£1	22	124	+ 8	124	87
Courtaulds	25p	22	87	+ 4	160	73
GUS A	25p	22	182	+12	224	123
Beecham	25p	20	382	—	390	269
GEC	25p	20	169	+ 2	171	112
Imperial Group	25p	20	63	—	88	50½
Comm'l Union	25p	19	91	− 1	158	75

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 21	Jan. 11	Mar. 24	Apr. 5
Jan. 12	Jan. 24	Apr. 6	Apr. 20
Jan. 25	Feb. 7	Apr. 21	May 4

Calls were dealt in P. and O. Deferred, Premier Oil, Beecham, Trust Houses Forte, Lonrho, Ladbroke, Burmah Oil, C. T. Bowring, Tricentral, Ultramar, BICC, Davy Int., Carrington Viyella, Turner and Newall, Hoover "A", Arbuthnot Latham, Consolidated Gold Fields, Courtaulds and National Westminster Bank Warrants. A put was done in Dixon's Photographic, while doubles were arranged in Ladbroke, Premier Oil, Burton "A", Ultramar, Burmah Oil and Arbuthnot Latham. A short-dated call was dealt in Tricentrol.

Industrials		E.M.I.	18	"Mams"	7	Property	
		Gen. Accident	17	Marks&Sp'ncer	8	Brit. Land	3½
A. Brew	5½	Gen. Electric	17	Midland Bank	22	Cap. Counties	6
A. P. Cement	15	Glaxo	56	Nat'West Bank	20	E.P.	6
BSR	10	Grand Met	7	"Do" Warrants	7½	Intereuropean	7
Babcock	6	G.U.S. 'A'	18	P & O Dfd	11	Land Securities	14
Barclays Bank	22	Guardian	18	Plessey	7	MEPC	7
Berry Wiggins	6	G.K.N	25	R.H.M.	5	Peachey	6
Beecham	28	Hawker Sidd.	55	Rank Org 'A'	18	Samuel Props.	4½
Boots	12	House of Fraser	8	Reed Int'l	25	Town & City	1½
Bowater	15	I.C.I.	22	Reyrolle	11		
B.A.T.	21	"Imps"	7	Spillers	4	Oils	
BOC	5½	I.C.L.	14	Tesco	5	Brit. Petroleum	50
Brown (J.)	9	Inveresk	7	Thorn 'A'	22	Burmah Oil	4½
Burton 'A'	4½	Legal & General	12	Trust Houses	9	Shell	27
Cadbury	5	Ladbroke	11	Tube Invest.	27	Ultramar	14
Cavenham	10	Lex Service	5½	Unilever	35		
Courtaulds	10	Lloyds Bank	22	Utd. Drapery	8	Mines	
Debenhams	8	"Lofs"	4	Vickers	15	Charter Cons.	16
Distillers	15	London Brick	4½	Woolworths	6	Chart'hall Fin.	4
Dunlop	7½	Lonrho	9			Cons Gold	15
Eagle Star	11	Lucas Inds.	20			Rio T. Zinc	18

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest %	Interest payable	Minimum sum £	Life of bond Year
Alyn & Deeside (0244 531212)	13	½-year	100	1-3
Barnsley (0226 203232)	13	½-year	250	1-3
Barnsley (0226 203232)	14	½-year	2,000	1-3
Bournemouth (0202 22066)	13½	½-year	500	3
Bournemouth (0202 22066)	14	½-year	500	4-5
Erewash (0602 303361)	14½	½-year	5,000	1
Greenwich (01-854 8888)	13¾	½-year	1,000	4-7
Greenwich (01-854 8888)	14	½-year	5,000	4-7
Grimsby (0472 59161)	13½	½-year	500	2-4
Knowsley (051 548 6555)	14	½-year	1,000	1-2
Liverpool (051 227 3911)	13½	½-year	500	2-3
Liverpool (051 227 3911)	14	½-year	500	4-6
Poole (02013 5151)	13½	½-year	500	2-4
Redbridge (01-478 3020)	14	½-year	500	4-5
Redbridge (01-478 3020)	13¾	½-year	500	1-2
Sefton (051 922 4040)	14	½-year	2,000	3-5
Southend (0702 49451)	13¾	½-year	250	2
Swansea (0792 50821)	13½	½-year	1,000	2-6
Thurrock (0375 5122)	13½	½-year	300	1-3
Wandsworth (01-874 6464)	14¾	½-year	5,000	5-7
Wandsworth (01-874 6464)	14	½-year	1,000	5-7
Worcester (0905 23471)	13¾	½-year	1,000	4-10
Wrekin (0952 505051)	14½	maturity	1,000	2
Wrekin (0952 505051)	14	yearly	1,000	1-3

MINES

Australian (1)

Hampton Gold Mng. Areas (5p) 76 (29/12)
M.I.M. Hldgs. ($A0.50) 215
North Broken Hill Hldgs. ($A0.50) 93 (24/12)
Western Mng. ($A0.50) 147 8 (29/12)

Miscellaneous (38)

Beralt Tin Wolfram (25p) 25● ½●
Charter Consolidated (Reg.) (25p) 122 1 3
Charterhall Finance Hldgs. (5p) 19
Consolidated Gold Fields (25p) 149● 51 3 2
El Oro Mining (10p) 29 (24/12)
Geevor Tin Mines (25p) 250 (24/12)
Malayan Tin Dredging (25p) 222 (29/12)

SPECIAL LIST

DECEMBER (30) (Nil)

DECEMBER 29 (Nil)

DECEMBER 24 (2)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

DECEMBER 30

Affiliated Hospital Products 710●
Anglo United Developments 69●
Beaver Exploration (10c) 1
British Controlled Oilfields 17
Exxon Corp. £46
Jardine Matheson 351
Metal Exploration 33
Sabina Industries 55●
Scudder Duvest 665●
Sears Roebuck £58⅛
TriContinental £18¹¹⁄₁₆
Unifords 712½

BREWERIES, DISTS. (86)

CANALS, DOCKS (6)

COMMERCIAL, INDUSTRL. (1,683)

A—B

C—D

E—F

G—H

I—J

K—L

M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (15)

INSURANCE (119)

INVEST. TRUSTS (223)

PROPERTY (65)

RUBBER (32)

SHIPPING (32)

TEA & COFFEE (1)

WATERWORKS (5)

UNIT TRUSTS (3)

IRON, COAL & STEEL (14)

ELECT. LIGHT & POWER (3)

FINANCIAL TRUSTS (45)

OIL (155)

Diamond (9)

West African (1)

South African (38)

Rhod. & E. African (12)

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	7.55%	7.80%	9.25%	9.25% 3 yrs. 8.80% 2 yrs. min. £1,000
Alliance	7.55%	7.80%	9.05%	9.55% 4 years £100-£10,000
Anglia	7.55%	7.80%	9.05%	8.80% 3 years, min. £500. 8.55% 2 yrs.
Birmingham Incorporated	7.55%	7.80%	9.10%	8.30% 2 years min. £500. 8.05% 1 yr.
Bradford and Bingley	7.55%	7.80%	9.30%	9.05% 3 years min. £500, 2 years 8.55%
Bristol and West	7.55%	7.80%	8.80%	—
Bristol Economic	7.55%	7.80%	9.10%	8.05% 3 months' notice
Britannia	7.55%	7.80%	9.05%	9.05% 3 years £1,000 minimum
Burnley	7.55%	7.80%	9.05%	8.55% Minimum £500 2 years' term
Cardiff	7.55%	8.30%	9.30%	—
Catholic	7.20%	●8.00%	8.50%	● 8.25% over £5,000
Chelsea	7.55%	7.80%	9.55%	8.55% Minimum £500 6 months' notice
Cheltenham and Gloucester	7.55%	7.80%	—	9.55% 3 years £500-£10,000
Citizens Regency	7.55%	8.12%	8.50%	9.37% 3 years £5,000 minimum
City of London	7.80%	8.30%	9.25%	9.13% 3 years
Coventry Economic	7.55%	7.80%	8.75%	8.55% 8.30% 3 mths. notice aft. 9 mths.
Derbyshire	7.55%	7.80%	9.05%	8.25% Minimum £5,000 3 months' notice
Gateway	7.55%	7.80%	9.10%	9.05% 3 yrs. 8.55% 2 yrs. min. £500
Greenwich	6.00%	8.00%	9.00%	8.75% 2 years fixed
Guardian	7.55%	8.05%	8.30%	8.60% Minimum £1,000 3 mths. notice
Halifax	7.55%	7.80%	9.05%	8.55% Minimum £500 2 years' term
Hastings and Thanet	7.55%	7.80%	9.05%	8.55% 2 years £250-£10,000
Hearts of Oak & Enfield	7.55%	8.00%	9.25%	8.75% 2 yrs. £1,000 min. 9% over 3 yrs.
Hendon	7.75%	8.25%	—	8.50% Minimum £2,000 6 months' notice
Huddersfield & Bradford	7.55%	7.80%	††9.55%	8.55% £100-£10,000 2 yrs. 8.80% 3 yrs.
Leamington Spa	7.65%	7.90%	10.38%	9.00% Minimum £1,000 1 year fixed
Leeds Permanent	7.55%	7.80%	9.55%	—
Leicester	7.55%	7.80%	9.05%	9.55% 4yr. 9.10% 3yr. 8.55% 2yr. min £100
Liverpool	7.55%	7.80%	9.60%	9.10% Min. £1,000 over 2yrs. 6 mths. not.
Magnet & Planet	7.55%	7.80%	9.05%	9.05% 3 yrs. min. £100 8.80% 2 yrs.
Mornington	7.70%	8.60%	—	—
National Counties	7.80%	8.05%	9.05%	8.55% Minimum £1,000 6 months' notice
Nationwide	7.55%	7.80%	8.30%	9.55% 4yr min. £500. 3yr 9.05%. 2yr 8.55%
Newcastle Permanent	7.55%	‡‡7.80%	8.30%	9.55% 4 years £100 minimum
Northern Rock	7.55%	7.80%	9.10%	8.55% Min. £100 2 yrs. 9.10% 3 yrs.
Norwich	7.55%	7.80%	9.00%	—
Paisley	7.55%	7.80%	9.05%	—
Property Owners	7.55%	8.30%	9.55%	8.65% 3 months' notice
Provincial	7.55%	7.80%	9.05%	9.55% 4 yrs. 9.05% 3 yrs. 8.55% 2 yrs.
Skipton	7.55%	7.80%	9.05%	8.55% 2 yrs. 9.05% 3 yrs. Min. £500
Sussex Mutual	7.75%	§§8.00%	—	8.25% Up to 8.75% over £5,000 6 mths.
Town and County	7.30%	7.80%	10.00%	9.75% 4 years £1,000-£10,000
Woolwich Equitable	7.55%	7.80%	9.25%	8.80% Minimum £500 2 years' term

†† Moneymaker Shares. ‡‡ 8.30% over £5,000. §§ £5,000 and over 8.25%.

U.K. CONVERTIBLE STOCKS 30/12/76

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89-94	12.00	72.00	100.0	76-80	12.5	13.1						
Associated Paper 9½pc Cv. 85-90	1.40	57.00	200.0	76-84	16.5	18.0	42.5	33 to 115	36.3	40.7	11.1	− 31.4
Bank of Ireland 10pc Cv. 91-96	10.25	100.00	35.7	77-84	10.3	10.3	12.0	8 to 24	37.1	46.3	10.5	− 1.5
BPB 7¾pc Cv. 89-94	4.89	68.50	62.0	72-80	11.6	12.5	8.3	1 to 19	17.7	21.5	6.0	− 2.3
English Property 6½pc Cv. 98-03	8.84	72.00	234.0	76-77	9.2	9.5	− 8.2	−26 to 18	3.6	0.0	− 4.5	+ 3.6
English Property 12pc Cv. 00-05	15.31	78.00	150.0	76-84	15.8	15.8	55.2	39 to 67	27.8	53.0	-50.1	− 5.1
Grand Metropolitan 10pc Cv. 91-96	123.99	73.50	120.2	73-78	14.1	14.5	3.6	− 7 to 23	10.6	9.3	− 1.8	− 5.5
Hanson Trust 6½pc Cv. 88-93	4.51	67.00	57.1	76-82	10.0	11.1	14.4	− 3 to 19	19.4	23.4	6.9	− 7.5
Hewden-Stuart 7pc Cv. 1995	0.20	80.00	338.0	75-77	8.7	9.2	− 4.8	− 5 to 1	4.5	0.0	− 5.3	− 0.6
Lyons, J. 7½pc Cv. 1981	3.80	62.00	22.7	75-81	12.1	21.1	480.4	402 to 591	9.8	24.3	136.1	−344.4
Slough Estates 10pcCv. 87-90	3.50	114.00	125.0	78-87	8.8	8.0	22.4	15 to 54	26.4	52.0	27.5	+ 5.1
Tozer, Kemsley 8pc Cv. 1981	7.33	75.50	153.8	74-79	10.8	15.8	40.3	14 to 67	12.6	16.7	7.5	− 32.8
Wilkinson Match 10pc Cv. 83-98	11.10	81.00	40.0	76-83	12.3	12.6	42.6	27 to 64	24.1	41.2	30.1	− 12.3

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

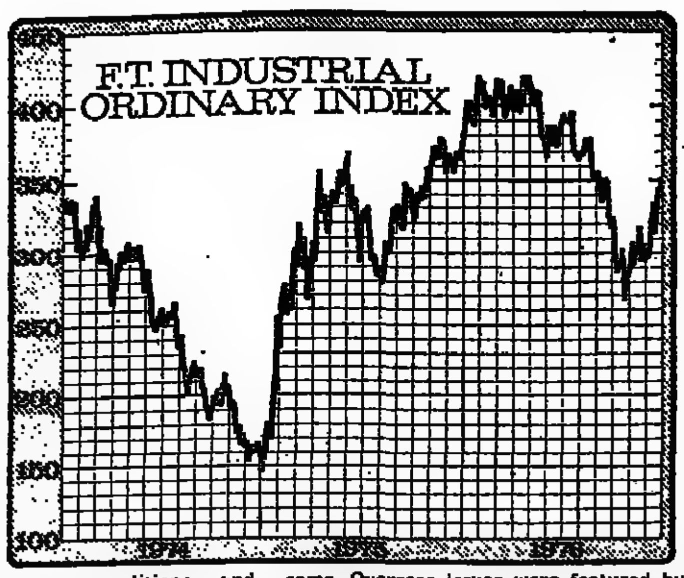
Markets continue firmly on modest buying interest

Index up 4.9 at 351.0—Gains to ½ in long Gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec. 13	Dec. 30	Dec. 31	Jan. 12
Jan. 4	Jan. 13	Jan. 14	Jan. 25
Jan. 17	Jan. 27	Jan. 28	Feb. 8

* "New time" dealings may take place from 9.30 a.m. two business days earlier.



Stock markets made another useful improvement as interest broadened a little yesterday. The relatively better trading conditions were reflected in official markings of 3,513 compared with only 1,978 on Wednesday. A fairly modest demand for the equity leaders was enough to push prices ahead further and, with a little new-time demand for the new Account starting next Tuesday taking place in the late dealings, final quotations were at the day's best in most cases. The FT 30-share index rose 4.9 to 351.0, for a two-day gain of 7.6. Reports of the Chancellor's optimistic statement on the prospects for the sterling balances safety net and for the next stage of U.K. wages policy helped sentiment.

Interest in British Funds centred on the longs and mediums where gains ranged to ½, but as with the equity leaders, demand was by no means heavy. In contrast, tight money conditions made for dullness in the shorts. The Government Securities index improved 0.25 to 60.16. Selective support for secondary issues prompted some useful gains, while favourable Press comment met with a ready response. Rises led falls by about 5-2 in FT-quoted Industrials, while the FT-Actuaries All-Share index rose 1.5 per cent. to 150.31.

Longer Gilts up

Without an operational tap stock, the market in medium/long British Funds was quick to respond to a relatively modest demand and stocks in these areas closed with fresh gains extending to ½. *A reluctance of sellers, however, was not noticeable at the shorter end of the market, which had to contend again with tight money conditions and some switching into the earliest maturities; as a result, the shorts often sustained losses ranging to ¼. The Chancellor's optimistic view of the sterling balances safety net and next stage of the pay policy contributed to the firmness among longer-dated issues.

A continuation of the reaction in the investment currency after its recent strength left the premium 3¼ points down at 123½ per cent; small offerings from arbitrage sources and lack of buying interest aggravated the trend. Yesterday's SE conversion factor was 0.6793 (0.6739).

Banks busier

The volume of business in the big four Banks improved considerably yesterday. Prices opened higher and improved steadily as the day progressed to close at, or near, the day's best. Barclays, 247p, and Lloyds, 202p, both put on 7, while Midland and National Westminster closed 4 better at 262p and 222p respectively. Bank of Scotland gained 3 at 225p. Overseas issues were featured by Hong Kong and Shanghai which rose 8 to 384p on far-eastern influences. Merchant Banks were undecided with Guinness Peat 7 up at 147p but Slater Walker Securities nervous and a shade easier at a 1976 low of 5½p. Wagon Finance hardened 2 to 39p in Hire Purchases.

Insurances improved with the general trend but trade was minimal. Royals added 6 at 268p as did Sun Alliance, to 363p. C. E. Heath put on 5 to 440p and Sedgwick Forbes were 4 to the good at 245p.

Dealers reported a much livelier session in Breweries and kindred issues and the closing tone was firm. Arthur Guinness hardened 2½ to 127½p and Allied edged forward a penny to 61p; the latter's preliminary results are due next Thursday. Distillers put on 2 to 123p as did Amalgamated Distilled Products, 21p.

International Paint featured Buildings with a jump of 35 to 340p on small buying in a restricted market. G. W. Sparrow rose 5 to 125p, while other firm spots included French Kier, 2 better at 15p, and Wettern Bros, 3 higher at 45p.

Press comment directed attention to ICI which closed with a rise of 7 at 334p, after 336p, following a slightly improved business. Reflecting overseas advices, A. G. Bayer finished 2 points better at £50 and Akzo improved 50 to 975p.

Gussies "A" good

Stores scored some useful gains following reports of good trading in the current sales. Gussies A featured with a rise of 9 to 182p in active trading. Marks and Spencer moved up 3 to 98p, while similar gains were seen in Debenhams, 88p, and British Home Stores, 152p. W. H. Smith "A" were raised 6 to 326p, and other firm spots included Fairdale Textile, 1½ up at 17p, and Martin the Newsagent, 3 to the good at 100p. Northern Goldsmiths shaded a penny to 20p on the interim report. In Shoes, Footwear Investments hardened 2 to 37p.

Thorn Electrical dominated proceedings in Electricals, the Ordinary and A both closing 8 higher at 202p following a good business which included some new-time demand; the interim statement was issued on January 21 last year. Gains of 5 were seen in Unitech, 56p, and H. Wigfall, 95p, following small buying in thin markets, while Electronic Machine hardened 2 to 16p as did Lec Refrigeration, to 54p.

Hawker continued to highlight Engineerings and gained 11 more to 449p in contrast to other leaders which were only a few pence dearer. Weyburn also featured, rising 16 to 350p ahead of preliminary results due on January 12, while demand in a narrow market lifted Hall Engineering 7 to 74p. Among those with gains of about 4 were Pegler-Hattersley, 154p, Blackwood Hodge, 87p, and Hill and Smith, 32p. Medium-priced issues to the fore included S. W. Wood, 3 higher at 31p, and Peter Brotherhood, a similar amount better at 46p. Newspaper mention helped John Brown pick up 2 to 97p and Redman Heenan improve a penny to 30p, but Associated Tooling eased the latter amount to 29p, still reflecting the first-half setback. Despite the Hestair denial that it may sell its stake in Spear and Jackson, the latter reacted to 120p before closing a net 2 off at 122p.

A. J. Mills moved into the limelight in Foods, closing 10 higher at 63p following a flurry of speculative interest. Needlers revived with a rise of 3 to 17p, while similar gains were seen in Tate and Lyle, 238p, and J. Sainsbury, 134p. Kinloch improved 5 to 235p, while modest improvements were recorded by Bejam, 75p, and Linfood, 207p. Supermarkets closed with several firm spots. Hillards responded to Press comment with a rise of 7 to 92p.

Press suggestions that the company's 23 per cent. shareholding in Thomas Cook might be sold to Midland Bank directed fresh attention to Trust Houses Forte which closed 2 better at 110p. Pontin's hardened 1¼ to 24½p and Myddleton gained 2 to 82p. News of the proposed Tote monopoly had no apparent effect on J. Coral, unchanged at 108p, and Ladbroke, which closed a penny better at 96p. Grand Metropolitan closed 2 firmer at 61p.

Ind. leaders firm

The Miscellaneous Industrial majors took Wednesday's gains a modest stage further yesterday. Business volume expanded slightly and closing improvements of 7 were recorded in Metal Box, 247p, Pilkington Bros., 272p, and Unilever, 427p, while Bowater hardened 5 to 180p. Secondary issues performed particularly well with selective demand prompting several good rises. Dundonian were to the fore again, rising 6 to 47p for a two-day advance of 9, while Gestetner "A" also improved 6 to 133p. *Manchester Ship Canal also rose* 6, to 164p, and a revived demand in a thin market helped Whatman Reeve Angel rise 8 to 175p. De La Rue were also 8 better, at 235p and Beatson Clark rose 5 to 67p. Hawkins and Tipson gained 4 to 44p on the results, and higher first-half earnings took Philip Harris a penny higher to 41p. Press comment drew buyers' attention to W Ribbons which edged forward 2 to 37p and, on far-eastern advices, Jardine Matheson put on 6 more to 330p. IC Gas were wanted at 347p, up 12, and R. H. Cole improved 4 to 46p.

Motors and Distributors were better where changed. A fresh speculative flurry lifted Henlys 6 to 88p, while major shareholder Heron Motor hardened 2½ to 33½p. Associated Engineering moved up 2 to 82½p following the chairman's statement, while similar gains were seen in Kenning, 44½p, and Rolls-Royce, 53p. Pride and Clarke, at 119p, gave up 3 of the previous day's rise of 8.

Revived North Sea oil speculation which, in the case of Associated Newspapers was aided by Press comment, took hold and AN closed 10 higher at 123p, while Thomson rose the same amount to 380p and Daily Mail A gained 7 to 202p. Other Publishers/Newspapers also attracted attention and W. N. Sharpe moved up 6 more in a thin market to 56p while Liverpool Post improved 3 to 92p. British Printing came in for demand and closed 2 better at 30p.

BP at all-time peak

Late U.S. buying inquiries brought about a resumption of the upward movement in British Petroleum which, after being static for most of the day, closed 14 up at a fresh all-time peak of 812p. Many other Oils followed and Shell gained 6 to 460p, while Tricentrol jumped 7 to a high for the year of 100p and Ultramar rose 8 to 130p. Burmah tended to be neglected and managed only a penny improvement to 41p.

Isolated gains in the Property sector included United Real, 188p, and Property and Reversionary A, 176p, which rose 5 apiece, while Property Holding gained 4 to 216p. Speculative interest flickered in Intereuropean, up 2½ at 39½p, and Evans of Leeds were raised 3 in a thin market to 64p. Scottish Metropolitan moved up 1½ to 64p and the 9 per cent. Convertible, 1992-96, 4 points to £105.

S. Hoffnung featured Overseas Traders with a rise of 6 to 81p in response to the interim report. Booker McConnell hardened 3 to 121p and Great Northern closed three points higher at £31.

Quietly firm conditions prevailed in Investment Trusts. Border and Southern did well at 207p, up 7, and Rothschild and Investment Trust Corp. both improved 4, to 207p and 163p respectively. Alliance put on 4½ to 173p, while Ailsa hardened a penny to 84p following the first-half figures. Charterhouse improved 2 to 48p in Financials where Fashion and General added 4 at 64p.

Shippings attracted increased support. P & O Deferred, helped by a 1977 investment recommendation, were particularly active and closed 3 higher at a peak of 124p, while further buying in a thin market helped Stag Line harden 2 to 128p, for a two-day advance of 11. Furness Withy also improved 2, to 208p, and Lofs added 1½ to 42½. Reardon Smith Ordinary, 132p, and A 67p, rose 3 and 4 respectively.

Apart from an improvement of 4 to 46p in Leeds and District Dyers and Finishers, Textiles had little to commend them after a small turnover.

Although Tobaccos displayed a firmer appearance, the volume of business left much to be desired. BATs Industries, 268p, and the Deferred, 225p, rallied 3 and 3 respectively, while Imps edged forward 1½ to 63p.

South African Industrials adopted no set pattern. Primrose improved 8 to 108p, while gains of 3 were seen in Abercom Investments, 134p, and Hulett's, 100p.

Golds advance

Small persistent buying pushed Golds higher in the mining share market and the Gold Mines Index rose 3.2 to 121.6. With Johannesburg firm, prices responded to U.S. demand and the steady bullion price which eventually closed up 75 cents at $133½ an ounce.

Among the heavily-priced issues, West Dries were ½ higher at £19½, while Randfontein gained ½ to £22½ and F. S. Geduld ½ to £10½. Vaal Reefs advanced 12 to 982p, following a "substantial" new uranium contract, a R60m. (£41m.) expansion programme is to be launched.

Platinums consolidated Wednesday's gains, while Coppers were steady in quiet trading. Consolidated Murchison moved up 20 to 600p on Cape advices.

London-based Financials shared in the firmness of the U.K. Industrial market with RTZ up 3 to 174p, Charter similarly better at 124p, Gold Fields 4 higher at 154 and Selection Trust 5 higher at 450p.

Australians were dull, reacting to the lower investment dollar premium in the afternoon, although there was some buying in the morning. Pancontinental fell 30 to 700p. Emperor Mines rose to 40 after their re-listing in Sydney, but returned to 33p, unchanged on the day, after a warning about the future of the Fiji gold operations.

Tins were steady although turnover was small. Saint Piran, up 5 to 70p, and Geevor, 5 better at 250p, responded to the higher metal price.

FINANCIAL TIMES STOCK INDICES

	Dec. 30	Dec. 29	Dec. 24	Dec. 23	Dec. 22	Dec. 21	A Year Ago
Government Secs	60.16	59.91	59.73	59.74	59.62	59.46	59.85
Fixed Interest	60.34	60.17	60.15	60.15	60.13	59.90	59.54
Industrial Ordinary	351.0	346.1	343.4	344.7	344.9	357.8	376.7
Gold Mines	121.6	118.4	116.9	117.3	115.9	116.1	238.0
Ord. Div. Yield	6.51	6.38	6.44	6.41	6.38	6.50	5.58
Earning Y'ld % (full)*	19.74	19.99	20.16	20.08	19.98	20.33	15.58
P/E Ratio (net) (*†)	7.42	7.53	7.27	7.30	7.34	7.20	9.41
Dealings marked	3,513	1,978	2,211	4,409	4,556	4,627	6,003
Equity turnover £m.	—	27.08	22.45	51.59	68.38	61.20	40.92
Equity bargains total	—	5,530	4,241	10,150	11,216	10,486	13,713

10 a.m. 349.9. 11 a.m. 349.5. Noon 350.0. 1 p.m. 350.5. 2 p.m. 350.6. 3 p.m. 351.0.

Latest index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.85.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2)	55.57 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/2)	265.4 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (26/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

BASE LENDING RATES

- Allied Irish Banks Ltd. 14 %
- American Express Bank 14 %
- Anglo-Portuguese Bank 14 %
- Henry Ansbacher 14½%
- Banco de Bilbao ...... 14 %
- Bank of Credit & Cmce. 14 %
- Bank of Cyprus .... 14 %
- Bank of N.S.W. .... 14 %
- Banque du Rhone S.A. 14½%
- Barclays Bank .... 14 %
- Barnett Christie Ltd. 15 %
- Bremar Holdings Ltd. 14 %
- Brit. Bank of Mid. East 14 %
- ■ Brown Shipley 14½%
- Canada Permanent AFI 14 %
- Capitol C & C Fin. Ltd. 14 %
- Cayzer, Bowater Co. Ltd. 14 %
- Cedar Holdings .... 14 %
- ■ Charterhouse Japhet ... 14 %
- C. E. Coates .... 15 %
- Consolidated Credits ... 14 %
- Co-operative Bank ...... *14 %
- Corinthian Securities... 14 %
- Credit Lyonnais ...... 14 %
- G. R. Dawes .... 15 %
- Duncan Lawrie .... 14 %
- Eagil Trust .... 14 %
- English Transcont ...... 14 %
- First London Secs....... 14 %
- First Nat. Fin. Corp.... 16 %
- First Nat. Secs. Ltd. ... 16 %
- Goode Durrant Trust... 14 %
- ■ Antony Gibbs .... 14 %
- Greyhound Guaranty... 14 %
- Grindlays Bank .... ‡14 %
- ■ Guinness Mahon........ 14 %
- ■ Hambros Bank .... 14 %
- ■ Hill Samuel .... §14 %
- C. Hoare & Co. .... †14 %
- Julian S. Hodge .... 15 %
- Hongkong & Shanghai 14 %
- Industrial Bank of Scot. 14 %
- Keyser Ullmann .... 14 %
- Knowsley & Co. Ltd. ... 15½%
- Lloyds Bank .... 14 %
- London & European ... 14½%
- London Mercantile ... 14 %
- Midland Bank .... 14 %
- ■ Samuel Montagu .... 14 %
- ■ Morgan Grenfell .... 14 %
- National Westminster 14 %
- Norwich General Trust 14 %
- P. S. Refson & Co. ... 14 %
- Rossminster Accept'cs 14 %
- Royal Bk. Canada Trust 14 %
- Schlesinger Limited ... 14 %
- E. S. Schwab .... 15 %
- Security Trust Co. Ltd. 15 %
- Shenley Trust .... 16 %
- Standard Chartered ... 14 %
- Trade Development Bk. 14 %
- Twentieth Century Bk. 15 %
- United Bank of Kuwait 14 %
- Whiteaway Laidlaw ... 14½%
- Williams & Glyn's ...... 14 %
- Yorkshire Bank ...... 14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½% and over £25,000 11¾%.
‡ Demand deposits 11%.
§ Call deposits over £1,000 11%.

CORAL INDEX Close 351-356

I.G. Index 01-351 3466 Three months Tin 5,270-5,325

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section — Thursday, December 30, 1976

Groups & Sub-sections	Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (full) (Corp. Tax 52%)	Wed. Dec. 29 Index No.	Friday Dec. 24 Index No.	Thurs. Dec. 23 Index No.	Wed. Dec. 22 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	[illegible]														
2 Building Materials (30)	[illegible]														
3 Contracting, Construction (22)	[illegible]														
4 Electricals (16)	[illegible]														
5 Engineering (Heavy) (13)	[illegible]														
6 Engineering (General) (66)	[illegible]														
7 Machine and Other Tools (9)	[illegible]														
8 Miscellaneous (22)	[illegible]														
9 CONSUMER GOODS (DURABLE) (53)	[illegible]														
10 Lt. Electronics, Radio TV (15)	[illegible]														
11 Household Goods (13)	[illegible]														
12 Motors and Distributors (25)	[illegible]														
13 CONSUMER GOODS (NON-DURABLE) (170)	[illegible]														
14 Breweries (15)	[illegible]														
15 Wines and Spirits (6)	[illegible]														
16 Entertainment, Catering (15)	[illegible]														
17 Food Manufacturing (23)	[illegible]														
18 Food Retailing (16)	[illegible]														
19 Newspapers, Publishing (16)	[illegible]														
20 Packaging and Paper (12)	[illegible]														
21 Stores (34)	[illegible]														
22 Textiles (24)	[illegible]														
23 Tobaccos (3)	[illegible]														
24 Toys and Games (6)	[illegible]														
25 OTHER GROUPS (95)	[illegible]														
26 Chemicals (18)	[illegible]														
27 Office Equipment (8)	[illegible]														
28 Shipping (11)	[illegible]														
29 Miscellaneous (50)	[illegible]														
30 INDUSTRIAL GROUP (496)	[illegible]														
31 OILS (4)	[illegible]														
32 500 SHARE INDEX	[illegible]														
33 FINANCIAL GROUP (100)	[illegible]														
34 Banks (6)	[illegible]														
35 Discount Houses (10)	[illegible]														
36 Hire Purchase (5)	[illegible]														
37 Insurance (Life) (10)	[illegible]														
38 Insurance (Composite) (7)	[illegible]														
39 Insurance Brokers (10)	[illegible]														
40 Merchant Banks (15)	[illegible]														
41 Property (31)	[illegible]														
42 Miscellaneous (6)	[illegible]														
43 Investment Trust (50)	[illegible]														
44 ALL-SHARE INDEX (650)	[illegible]														
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
45 Rubbers (9)	[illegible]														
46 Teas (5)	[illegible]														
47 Coppers (3)	[illegible]														
48 Mining Finance (11)	[illegible]														
49 Tins (5)	[illegible]														
50 Overseas Traders (13)	[illegible]														

FIXED INTEREST	Thursday, Dec. 30 Index No.	Yield %	Wed. Dec. 29	Friday Dec. 24	Thurs. Dec. 23	Wed. Dec. 22	Tuesday Dec. 21	Monday Dec. 20	Friday Dec. 17	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	[illegible]													
2 20-yr. Govt. Stocks (6)	[illegible]													
3 20-yr. Red. Deb. & Loans (15)	[illegible]													
4 Investment Trust Prefs. (15)	[illegible]													
5 Coml. and Indl. Prefs. (20)	[illegible]													

MONEY + EXCHANGES

Further signal on MLR

Bank of England Minimum Lending Rate 14¼ per cent. (since December 24, 1976)

Day-to-day credit remained in very short supply in the London money market yesterday and the authorities took the opportunity to underline their previous message on interest rates by lending a moderate amount to ten or 11 discount houses, for seven days at Bank of England Minimum Lending Rate. This was intended to reinforce the previous signal that a fall in Minimum Lending Rate would not be welcomed at to-day's Treasury bill tender. The authorities also lent an exceptionally large amount to the same number of houses, overnight at MLR, and bought a small amount of Treasury bills and eligible bank bills from the houses.

The major factor against the market was again the repayment of earlier official advances, both overnight and for seven days. There was also a net market take-up of Treasury bills to finance and settlement of official sales of gilt-edged stock. On the other hand, banks carried forward surplus balances from Wednesday, Government disbursements exceeded revenue payments to the Exchequer, and there was a fall in the note circulation.

Discount houses paid 14-14¼ per cent. for secured call loans in the early part and closing balances were taken at 11-13 per cent.

In the interbank market overnight loans opened at 15¼-15½ per cent., and fell sharply after lunch to 2 per cent. in places, before finishing at around 5 per cent.

Rates in the table below are nominal in some cases.

Dec. 30 1976	Sterling Certificates of deposit	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	2-15¼	—	—	—	14¼	11-14¼	—	—	—
2 days notice	—	—	15⅞ 15⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	15 15⅛	15⅛-15¾	—	15¾	15¼	14⅛-15¼	—	—	—
One month	16⅛ 14⅞	16 15⅛	15⅝-15½	17-16⅛	16⅝ 15¾	15½	[illegible]-14¼	[illegible]	[illegible]	15⅛-15¼
Two months	14⅞ 14[illegible]	14¾-16		16¼ 15½	16⅛ 15⅛	—	13¾-14	[illegible]	[illegible]	15¼
Three months	14⅝ 14¼	14⅝ 14⅝	15	15⅝ 14¾	14¾ 15¼	—	13⅛	[illegible]	[illegible]	15
Six months	16⅞ 15[illegible]	15[illegible]-14	14¾ 15	14⅛ 15¾	14¾-15	—	—	—	[illegible]	15
Nine months	16[illegible] 15¼	15[illegible] 15⅝		[illegible]-15⅝	14⅝	—	—	—	—	—
One year	16¼ 16⅛	15⅛ 15⅛	15⅛	16⅞ 15⅝	14¾	—	—	—	—	—
Two years	—	—	15		—	—	—	—	—	—

Local authority and finance houses seven days' notice. Others seven days' fixed. * Long-term local authority mortgage rates nominally three years 14½-15 per cent.; four years 14½-15 per cent.; five years 14[illegible] ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ [illegible] 15 per cent.

Approximate selling rate for one-month Treasury bills 13[illegible]-13[illegible] per cent.; two-month 13[illegible]-13⅞ per cent. Approximate selling rate for one-month bank bills 14[illegible]-14[illegible] per cent.; and three-month 13[illegible]-13[illegible] per cent.; one-month trade bills 15¼-15½ per cent.; two-month 14[illegible] per cent.

Finance House Rates (published by the Finance Houses Association) 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 13.6100 per cent.

EXCHANGES AND BULLION

Sterling drifted lower in quiet trading in the foreign exchange market yesterday in the absence of any new factors and a lack of commercial business. The market was rather erratic and trading generally reflected book squaring operations before the end of the year. The pound opened at $1.7030-$1.7040, and fell during the morning to $1.6965-1.6975. Following small buying interest from various centres, including New York, it improved in the afternoon to around $1.70 and closed at $1.7000-$1.7010, a fall of ½ cent on the day.

Sterling's trade weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, widened to 44.2 per cent. from 44 per cent., after standing at 44.2 per cent. at noon and 44.1 per cent. in early dealings.

Demand for the U.S. dollar was reflected in a sharp increase in overnight Eurodollar interest rates, which touched 30 per cent. in places before noon. The dollar showed little change overall against most major currencies at the close in London, however, and its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened very slightly to 1.54 per cent. from 1.53 per cent.

Gold gained $¾ to $134¾-135¼ in fairly quiet trading. The krugerrand's premium over its gold content narrowed to 2.57 per cent. from 3.44 per cent. for domestic and international delivery.

EXCHANGE CROSS-RATES

Dec. 30	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	[illegible]	47 43 48	[illegible]	[illegible]	[illegible]	[illegible]
N. York	42.41-44	—	20.14 16	[illegible]	[illegible]	40 71 75	40.90-92
Paris	[illegible]	[illegible]	—	14 85 85	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	1.7000-10	8.44 45	[illegible]	—	4.17½-18½	4.15¼ 61
Am'rd'm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	100 41 46
Zurich	103.75 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S.$ in Montreal U.S.$=101.24-28 Canadian cents.
Canadian $ in New York C$=98.78-98.80 U.S. cents. U.S.$ in Milan 875.00-875.75.

EURO-CURRENCY INTEREST RATES*

FORWARD RATES

FOREIGN EXCHANGES

OTHER MARKETS

GOLD MARKET

INSURANCE BASE RATES

SPECIAL DRAWING RIGHTS RATES

هكذا من الأصل

AUTHORISED UNIT TRUSTS

...rton Tst.	133.0	138.5	......	6.30
Accum.	158.8	165.4	......	6.30

Next sub. day Jan. 12.

Bishopsgate Progressive Mgmt. Co.♥

Bishopsgate, E.C.2. 01-588 6280

B'gate Pr.* Dec. 21	119.1	126.9	......	5.00
Acc. Units* Dec. 21	136.8	145.7	......	5.00
B'gat. Int. Dec. 14	125.7	134.5	......	3.64
Accm. Units Dec. 14	134.5	144.0	......	3.64

Next sub. day Jan. 4. *Jan. 11.

Framlington Unit Mgt. Ltd. (a)

5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	57.0	60.6	+0.8	5.94
Income Tst.	52.4	55.6	+0.6	9.42
Int. Growth Fd.	59.8	63.6	+1.0	3.74
Do. Accum.	59.8	63.6	+1.0	3.74

Friend's Provdt. Unit Tr. Mgrs.♥

Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	27.4	29.2	+0.4	5.89
Do. Accum.	33.5	35.8	+0.4	5.89

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

						IRISH		
						Conv. 9% '80/82	£92	+¼
Albany Inv. 20p	16	......	Higsons Brew.	66	......	Alliance Gas	47	......
Ash Spinning	32	......	I.O.M. Stm. £1	140	......	Arnott	185	......
Bertam	18	......	Holt (Jos.) 25p	190	......	Carroll (P.J.)	100	+5
Bdg'wtr. Est. 50p	125	......	Kleen-e-Ze	38	......	Clondalkin	29	+2
Clover Croft	23	......	Lovell's Ship £1	130	......	Concrete Prods.	41	......
Craig & Rose £1	350	......	N'thn. Goldsmith	20	−2	Heiton (Hldgs.)	21	......
Dyson (R.A.)	18	......	Pearce (C.H.)	85	......	Ind. News	37	......
Ellis & McHdy.	60	......	Peel Mills	11	......	Ins. Corp.	148	......
Evans Fr'k.10p.	27	......	RobbCaledon5h.	44	−2	Irish Distillers	40	......
Evered	9	......	Sayers 12½p	15	......	Irish Ropes	93	......
Fife Forge	49	......	Sheffield Brick	65	......	Jacob	46	......
Finlay Pkg. 5p	16	......	Sheff. Refrshmt.	140	......	Sunbeam	31	......
Graig Ship. £1	300	......	Shiloh Spinn.	21	......	T.M.G.	76	+1
Hallam Sleigh 10p	6	......	Sindall (Wm.)	49	......	Unidare	44	......

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

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FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
98¾	95⅞	Treasury 6½pc 1977‡‡	98¾	+⅛	6.53	13.42
97⅝	94½	Electric 3pc '74-77	97⅝	+⅛	3.06	13.41
103⅞	97⅞	Treasury 11½pc '77‡‡	98⅞	−⅛	11.63	13.01
95⅛	91⅞	Treasury 3pc '77‡‡	93¼	.....	3.20	10.64
95⅞	92¼	Transport 4pc '72-77	95⅛xd	−⅛	4.19	9.08
99⅞	90½	Treasury 9pc 1978‡‡	95⅝	−⅛	9.41	13.00
101½	93⅞	Treasury 10½pc '78‡‡	97⅞xd	−⅛	10.80	12.53
93¼	89⅝	Exch. 5pc '76-78	90⅞	−⅛	5.51	10.92
103⅜	92⅞	Treasury 11½pc '79‡‡	95⅞	−⅛	12.10	14.19
98⅛	92½	Treas. 11½pc '79 'A' ‡‡	95⅞	−⅛	12.10	14.18
88⅞	82⅛	Treasury 3pc '79‡‡	84⅞	−⅛	3.53	9.44
89⅞	82¼	Electric 4¼pc '74-79	85⅛	−⅛	5.00	10.67
100⅞	88⅞	Treasury 10½pc '79‡‡	91⅞	−⅛	11.43	14.03
88⅛	82¼	Electric 3½pc '76-79	84⅞	.....	4.13	9.70
96⅞	84½	Treasury 9pc 1980‡‡	87⅝	−⅛	10.27	13.95
96⅞	84⅞	Treasury 9½pc '80‡‡	88¼	−⅛	10.76	13.98
86	78¼	Treasury 3½pc '77-80	82⅞xd	−⅛	4.22	9.42
89½	80	Funding 5¼pc '78-80‡‡	83⅛	−⅛	6.32	11.31
96⅞	96	Exch. 13pc 1980‡‡	96⅞	−⅛	13.49	14.13
102⅞	88½	Treasury 11½pc 1981‡‡	92⅛xd	−⅛	12.48	14.14
86	76¼	Treasury 3½pc 1979-81	77¼	−⅛	4.50	10.23
95⅝	82⅞	Treasury 9¾pc 1981‡‡	86⅞	−⅛	11.28	14.07
Five to Fifteen Years						
94⅛	79⅞	Treasury 8¼pc '80-82‡‡	82⅞xd	+⅛	10.23	13.21

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¼	10⅞	Bk. Montreal $2	12⅛	−⅛	$1.00	—	4.9
20¼	14½	Bk. Nova Scotia $1	17⅞	+⅛	86c	—	2.9
46¼	33¼	Bell Canada 25c	41¼	−¼	$3.72	—	5.3
23⅝	12	Bow Valley‖	19	−⅛	10c	—	0.3
10¼	780p	Brascan‖	980p	−32½	10⅛	—	1.6
29⅞	18⅛	Can. Imp. Bk. $2	22⅞	+⅛	$1.40	—	3.7
16⅞	10½	Can Pacific $5	14⅛xd	−¼	80c	—	8.6
29⅝	25⅛	Do. 4pc Deb. £100	26½	.....	4%	—	15.1
37⅞	17½	Gulf Oil Can.‖	22½	−⅛	$1.00	—	2.6
670p	345p	Hawker Sid. Can.‖	410p	+10	36c	—	5.2
33	21	Hollinger $5	24	−¼	$1.80	—	4.4
18	10⅞	Hudson's Bay ‖	12⅝	.....	60c	—	2.8
34⅞	25½	Hud. B. Oil G. $2½	29½	−½	Q152c	—	3.0
22¼	15	Imperial Oil‖	18¾	−½	86.4c	—	2.7
31½	19½	Inco	27¾	−½	$1.40	—	2.9
920p	660p	Int. Nat. Gas $1	820p	−10	80c	—	5.7
25½	16	Massey Ferg.‖	18⅞	−½	$1.00	—	3.2
27⅞	20¼	Pacific Pet. $1	24¼	−⅛	86.4c	—	2.1
38½p	24p	Place Gas $1	35p	+1	—	—	—
30¾	21¼	Rio Algom	24⅛	−¼	$1.00	—	2.4
27¼	18⅞	Royal Bk. Can. $2	22⅛	−⅛	$1.38	—	3.6
28¼	16½	Seagram Co. C$1	20⅛	−¼	86.4c	—	2.5
18⅞	13⅛	Tor. Dom. Bk. $1	16⅞	.....	76c	—	2.7
11⅞	830p	Trans. Can. Pipe 33½c	11	−⅛	95c	—	5.1

S.E. List Premium 47⅛% (based on $1.7228 per £)

BANKS AND HIRE PURCHASE

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING—Continued

HOTELS—Continued

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47⅛% (based on $U.S.1.6950 per £)

Conversion factor 0.6793 (0.6738)

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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[INDUSTRI]ALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p.	9	......	0.1	◆	1.6
35½	15½	Charterhall 5p	19	−1	—	—	—
990	550	Cons. Murch. 10c	600	+20	Q140c	◆	18.2
440	245	Northgate C$1	425	+25	—	—	—
239	132	R.T.Z.	174	+3	g5.96	2.1	5.3
112	55	Sabina Inds. C$1	64	+1	—	—	—
£15¾	£10	Tara Explm. $1	£13	......	—	—	—
45	32½	Tehidy Minerals 10p	39	+1	th1.08	◆	4.3
145	84	Yukon Cons. C$1	132	+4	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

£ Sterling denominated securities which include investment dollar premium.
● "Tap" Stock.
* Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
† Interim since increased or resumed.
‡ Interim since reduced, passed or deferred.
‡‡ Tax-free to non-residents.
◆ Figures or report awaited.
†† Unlisted security.
¢ Price at time of suspension.
¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
** Free of Stamp Duty.
◆ Merger bid or reorganisation in progress.
◆ Not comparable.
◆ Same interim, reduced final and/or reduced earnings indicated.
◆ Forecast dividend: cover on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
¥ Excluding a final dividend declaration.
‡ Regional price.
§ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £322 per annum for each security.

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FINANCIAL TIMES
Friday December 31 1976

MAN OF THE YEAR

Enigma for the top job

JIMMY CARTER is our man of the year because he accomplished what no other American has done in the era of modern 20th-century politics. He rose in the course of 1976 from the almost total obscurity of South-Western Georgia to the Presidency of the U.S., overcoming in the process the previously critical handicap of a Southern origin.

No President with the exception of Calvin Coolidge has entered the White House in the twentieth century with a thinner record of public service: and in spite of the relentless, all-seeing eye of the mass media in an election year, no man has become President surrounded by so many apparent contradictions and uncertainties.

What the election campaign did reveal was that the peanut wholesaler from the red clay country and one-term Governor of Georgia possessed iron determination, a deep religious faith, genuine social compassion and a first-class mind: a product of the Deep South, yet freed of its old vices, he seemed a man so sure of his own abilities that he would have been described more often as arrogant were he not simultaneously humble.

But it also revealed a man of considerable stubborness, a man who relies so much on his inner convictions as to be intermittently oblivious to good external counsel, prone to irritation when things do not go well. He defies conventional political labelling: serious and intelligent Americans still cannot agree if he is a Liberal in Conservative clothing, or vice versa, or neither. He is forever aptly quoting Kierkegaard's "every man is an exception," knowing full well that the dictum applies perfectly to himself.

The rub

There is no doubt in anybody's mind that he will be an active President. A trained engineer and a successful practical businessman, he likes getting his hands dirty solving problems. But herein lies the possible rub.

It is far from clear that the U.S. is in the mood to welcome an active President. It has had its Vietnams and its Watergates and is deeply distrustful of its political masters. It is relatively prosperous and contented, fighting no big wars, at home, socially, or abroad, militarily. It almost seems as if America wants to be left quietly alone for a while, its greatness not extinguished but taking a little nap.

Jimmy Carter is a good enough businessman to know that he cannot undertake what he cannot afford, no matter what his personal inclinations. It is unlikely, therefore, that he will deluge the country with "great society revisited" programmes. But he is not the sort of man who takes a nap, as President Eisenhower metaphorically used to. There is a restless ambition in him which seems to demand response, which he found early in his Odyssey to the White House but which may be harder to provoke once he is in it.

The future

The same problem could apply to foreign policy in what is now a much muddier world than it was. It is unimportant that he has had little formal direct exposure to its intricacies since he is a fast learner. He knows full well the opportunities that exist in his first year for a Middle East peace settlement and a SALT agreement with the Soviet Union. But if things get bogged down, or if he fails to strike the chords in foreign leaders that he feels should be struck, then that same frustration could spill over.

Thus it seems that, although without doubt the man of the year just ending, Jimmy Carter is much more a man of the future. If this were the 1930's or the 1960's then the chances are that his intelligence and vision would have made him a great President. The chances still are that even in the more complex world of to-day he will be one of two extremes: either very good or very bad. It is improbable that he will be mediocre.

Paoting quieter as troops move in

BY COLINA MacDOUGALL

THE SITUATION in Paoting is "gradually improving," a Chinese official said in Peking yesterday. Paoting is the industrial city 115 miles south of the capital where serious disturbances have recently occurred involving armed battles, looting, robbery and sabotage.

Military intervention on Peking's orders seems to have subdued the worst of the violence, but as the factional strife may date back ten years to the cultural revolution, the underlying rivalries will take time to resolve. The hostilities of the late 1960s have probably helped to breed the present violence and this in its turn will have produced a new crop of enmities.

Arrest

It is still not clear how far the opposition to local authorities in Paoting also represents opposition to the leadership in Peking. Provincial rivalries were obviously made use of by the "Gang of Four," Chairman Mao's widow and her three colleagues, who are charged with trying to take over the Chinese leadership.

With the "Gang" now under arrest, the new Chairman Hua Kuo-feng may be able to bring about a reconciliation and recent Peking statements indicate that this is to be the policy.

It seems unlikely that Peking would release details of the troubles in Paoting if the situation were still threatening the capital. From this one can assume that it is at least temporarily under control. However, the cautious Chinese comment, that the situation was "gradually improving," suggests that further troubles are not impossible.

Yvonne Preston writes from Peking: The problems of civil disorder in Paoting have underlined the importance to the central leadership of the continued backing of China's army. The army was directed by the Central Committee of the Chinese Communist Party to clean up the city, an important industrial and communications centre formerly the capital of Hopei Province.

The short distance of Paoting from Peking makes it particularly significant that murder, rape, arson, the manufacture of explosive devices, kidnapping and the hijacking of army vehicles have all taken place.

The People's Liberation Army has thus become a key element in the maintenance of law and order, with the military apparently now controlling the civilian administration in the province of Fukien, with top military personnel heading the provincial Revolutionary Committee in Shanghai as well as playing the role of policeman in Paoting.

So far, Chairman Hua Kuo-feng has been assured of the powerful support of the army. Under his leadership China is set on building an ordered and stable society and intent on economic growth and development. After the death of Chairman Mao the situation in China has proved once again that the man who controls the army controls the country. And equally that the leader who loses the backing of the army will find his leadership threatened.

Sydney Morning Herald

Mrs. Thatcher to visit China

BY OUR FOREIGN STAFF

MRS. THATCHER will be making her first visit to China during the Parliamentary recess in April, it was confirmed.

No itinerary has apparently been worked out as yet but it is customary for visiting politicians to remain for about two weeks. This would fit in with the Parliamentary timetable.

Mrs. Thatcher's strong denunciations of Russia's military build up—in particular her "iron lady" speech—have been well received by the Chinese leadership, who also gave a warm welcome to Mr. Heath.

It is expected that Mrs. Thatcher will have talks with Chairman Hua while in Peking. She has been unable to visit China until now, though the invitation was issued to her last year, because of her desire to fulfil engagements in the United States and Australia.

Spain frees Communist leader on £2,750 bail

BY OUR OWN CORRESPONDENT

MADRID, Dec. 30.

THE GOVERNMENT to-day freed Sr. Santiago Carrillo, the Spanish Communist leader whose arrest a week ago provoked a storm of protests abroad and violent demonstrations inside Spain.

The suddenness of Sr. Carrillo's release, decreed by a judge on bail of £2,750, surprised even his lawyers and relatives. Nevertheless, a small crowd of sympathisers and journalists reached Madrid's top security prison in the southern suburb of Carabanchel in time to watch the Communist Party secretary-general freed.

Seven other Communist leaders arrested with him a week ago were also freed on bail of smaller sums. All eight have been charged with illegal association, which carries a maximum six-year jail sentence.

However, no date has been set for a trial and in practice cases like that of Sr. Carrillo often take months to reach the courts.

Sr. Carrillo's release should take the heat out of a tense political situation and forestall further protests from abroad and violent street demonstrations in Madrid.

Last night, riot police fired rubber bullets, tear gas and smoke bombs in running battles with more than 1,000 Communist demonstrators protesting against their leader's imprisonment.

Protests from Communist parties in Europe have threatened to damage severely the credibility of Prime Minister Adolfo Suarez's declared democratic intentions.

Sr. Carrillo's imprisonment appeased only the extreme Right-wing, and his release has opened the way for starting the long-stalled negotiations between the Government and Opposition parties.

The Government received overwhelming public backing for its reform plans in a referendum two weeks ago, but the handling of Parliamentary elections, expected in the spring, has still to be worked out in talks with the Opposition.

The negotiator nominated by the Communists is Sr. Carrillo himself. What remains to be seen, therefore, is whether Sen. Suarez is prepared to sit down with him so soon after jailing him.

As Sr. Carrillo left Carabanchel prison, Sen. Suarez headed a Cabinet meeting which was expected to discuss a possible extension of an amnesty for political crimes.

The Government has indicated it is considering widening the royal pardon decreed by King Juan Carlos last July but which left some 200 political prisoners still in jail.

Pressure for a total amnesty has increased with the unresolved kidnapping of Sr. Antonio Maria Oriol y Urquijo, president of the advisory Council of State, by members of the "First of October Groups of anti-Fascist Resistance," (GRAPO).

Midland may buy all Thos. Cook

By Terry Wilkinson, City Staff

MIDLAND BANK is in the final stages of negotiations to acquire the minority share stakes in Thomas Cook, the travel group, held by Trust Houses Forte and the Automobile Association.

The three shareholders acted as a consortium when in May 1972 they successfully bid £22½m. for the travel agent's, which had previously been owned by the Government.

At present Midland Bank holds 70 per cent. of the shares, Trust Houses Forte 23 per cent. and the Automobile Association 7 per cent.

No price for the new transaction has been disclosed yet, but indications are that it will be in line wtih the original sum paid by THF and the AA.

After its purchase by the consortium, Thomas Cook made record profits of £1.9m. in 1973, but in the next two years lost £1.6m. and £3.3m. Sizeable losses in the group's North American and European subsidiaries were caused partly by unfavourable trading conditions and partly by organisational deficiencies.

Banking operation

Senior management changes were made, including the departure of Mr. Simon Kimmins, former managing director, and Mr. Jerry Jordan, former chief executive of Thomas Cook Inc. in North America.

Sir Charles Forte, a deputy chairman and chief executive of Trust Houses Forte, said yesterday that although the travel side of Thomas Cook was considerable, the company had become "more of a banking operation, through its travellers' cheques side, and therefore more of Midland Bank's cup of tea."

Thomas Cook needed more capital in the short term and rather than refinance part of the company the Board of Trust Houses Forte had decided to sell "at a profit over book value."

In its last accounts THF made a provision of £800,000 against the value of its Thomas Cook investment, for which it originally paid £5.2m.

Bookmakers criticise State betting call

BY MICHAEL THOMPSON-NOEL

A STATE betting monopoly was called for yesterday by the State-run Horserace Totalisator Board in evidence to Lord Rothschild's Royal Commission on Gambling.

The Tote plan envisages the dismantling of Britain's commercial bookmaking system, a reduction in the number of betting shops from 14,000 to about 8,300 and a dramatic increase in the betting industry's gross operating profit which would be split between the State and the racing industry.

The capital cost of setting up such a monopoly, says the Tote, would be about £90m.-£120m.

This includes £60m. for a fully computerised national betting service, up to £20m. for the tangible assets of the commercial betting shops taken over, and further sums for modernising and improving national betting facilities.

The plan was bitterly criticised last night by the Ladbroke Group, the biggest betting shop operator. It described the scheme as "a fairy story . . . pure Alice in Wonderland," and claimed that it could leave 30,000 betting shop employees out of work.

Mr. Woodrow Wyatt, the Tote Board chairman, said yesterday that the commercial bookmakers "suck out profits from the racing industry and spend them on hotels, casinos, marinas, amusement centres and so on."

The proposed State monopoly would be operated by the Tote Board, which claims in its submission to Lord Rothschild that it is "fully capable of managing a large enterprise on the commercial lines necessary to produce profits on the scale envisaged."

Commercially - run betting shops, the Tote says, should be phased out over a three-to-seven-year period.

It points out that there are absolute or virtual State betting monopolies in all other racing countries and observes that the French betting monopoly raises a total of £370m. in taxes and sport subsidy compared with only £118m. in Britain.

The Stock Market was unmoved by the Tote's broadside. Shares in the Ladbroke Group (985 betting shops) closed at 96p, up 1p.

Shares in Sears Holdings, which controls William Hill (850 shops) were 1½p higher at 36p, while those in the Coral Leisure Group (805 shops) were unchanged at 108p.

Details Page 10

Mirror dispute talks continue

By Alan Pike, Labour Staff

TALKS WERE taking place last night between Daily Mirror management and senior officials of the National Graphical Association over the dispute which has stopped publication of the newspaper in London this week and led to the dismissal of 425 of the union's members.

The management conceded last night, however, that whatever the outcome of the negotiations there was little prospect of the Daily Mirror and Sporting Life appearing to-day in the south. This would mean the company will have lost 10m. copies and £500,000 in revenue this week.

Efforts are now being concentrated on resolving the dispute, over payment and time off for the Christmas and New Year holidays, in time to ensure publication of this week's Sunday Mirror.

However, further widespread disruption to production in Fleet Street during the forthcoming New Year week-end remains a strong possibility. Only two national newspapers—the Daily Express and the Guardian—appeared in London on Tuesday after employers refused to meet union claims for working during the holiday.

Pay policy

The Newspaper Publishers Association, which recently received a Government warning about the importance of adhering to the pay policy, says that it offered the maximum possible under the policy for working during Christmas and that it will not be able to make any improved offer for the New Year. This means that some employees may refuse to work on Sunday to produce newspapers for Monday, although the Daily Express and Guardian are expected to appear on the basis of the arrangements which they made for Christmas while the Financial Times is not scheduled to publish.

An agreement for the publication of Sunday newspapers this week-end, based on a 1970 precedent, has been reached between the NPA and union leaders but some chapels (office union sections) believe that higher rates should be paid. The NPA says that this would again breach the pay policy.

The failure of most newspapers to produce southern editions on Tuesday lost Fleet Street 7m. copies. During the preceding week about 1½m. copies of the Daily Telegraph, and smaller numbers of other papers, were lost when sections of staff held meetings over the same issue.

Most damaging of the other recent disputes has been a demarcation dispute between the NGA and SLADE, the process workers' union. This has lost about 13½m. copies of The Sun and its sister paper, the News of the World.

Other recent losses were outlined by the NPA to union leaders at a meeting earlier this month. These were:

SUNDAY TIMES—total of 527,000 copies lost through SOGAT and NATSOPA disputes;

SUNDAY TELEGRAPH — total of 545,000 copies lost through NATSOPA and SOGAT disputes;

SUNDAY EXPRESS — total of 110,000 copies lost because of SOGAT and AUEW action;

DAILY TELEGRAPH — 344,000 copies lost through NATSOPA dispute;

FINANCIAL TIMES—195,000 copies lost through EPTU action.

Weather

U.K. TO-DAY

SHOWERS, wintry at times, and bright spells. Snow on hills in North.

London, S.E., Cent. S. England, E. Anglia, E. Midlands

Rain or sleet, becoming drier. Wind S., fresh or strong. Max. 5C (41F).

E., N.E., Cent. N. England, W. Midlands

Bright spells, showers. Wind S., light or moderate. Max. 5C

Cloudy, rain at times. Wind S., moderate. Max. 8C (46F).

Wales, N.W. England, Lakes, I. of Man, N. Ireland

Bright spells, rain or sleet. Perhaps snow on hills. Wind S., moderate. Max. 5-7C (41-45F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland

Cloudy at times, rain or sleet. Wind S., moderate or fresh. Max. 5-6C (41-43F).

S.W., N.W. Scotland, Glasgow, Cent. Highlands, Argyll

Cloudy, rain or sleet. Snow on hills. Wind S. or S.W., moderate. Max. 6C (43F).

Snow reports, Page 11

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alex'ndria	F	19	66	Manchstr.	R	3	37
Amstrdm.	F	—5	23	Melbourne	S	21	70
Athens	C	16	61	Mexico C.	S	18	64
Barcelona	C	6	43	Milan	Fg	—1	30
Belfast	C	3	37	Montreal	S	—9	16
Belgrade	C	—2	28	Moscow	F	—12	10
Berlin	S	—8	18	Munich	F	—10	14
Birmghm.	R	2	36	Newcastle	Sn	1	34
Bristol	C	5	41	New York	S	—9	16
Brussels	C	—4	25	Oslo	Sn	—9	16
Budapest	F	—4	25	Paris	C	—2	28
B. Aires	S	28	82	Perth	C	24	75
Cairo	S	19	66	Prague	S	—8	18
Cardiff	C	6	43	Reykjavik	F	—8	18
Cologne	S	—5	23	Rio de J'o	S	30	86
Copnhagn.	S	—2	28	Rome	S	9	48
Dublin	F	5	41	Singapore	R	24	75
Edinburgh	C	3	37	Stockholm	C	—1	30
Frankfurt	S	—8	18	Strasb'rg	C	—8	18
Geneva	S	—1	30	Sydney	C	24	75
Glasgow	R	3	30	Tehran	R	3	37
Helsinki	Sn	—3	27	Tel Aviv	C	15	59
Hong Kg.	S	13	55	Tokyo	S	5	41
Jo'burg	S	26	79	Toronto	S	—15	5
Lisbon	Fg	10	50	Vienna	F	—4	25
London	C	4	39	Warsaw	Sn	—6	21
Luxemb'g	S	—8	18	Zurich	C	—5	23
Madrid	C	8	46				

HOLIDAY RESORTS

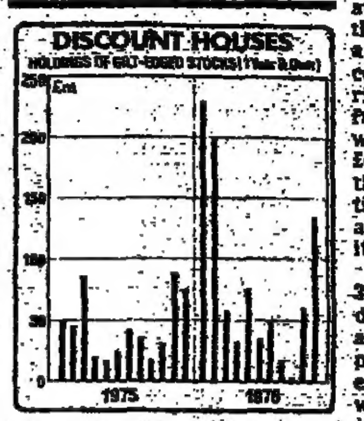
		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	11	52	Jersey	C	6	43
Algiers	C	17	63	Las Plms.	F	21	70
Biarritz	S	8	46	Locarno	S	0	32
Blackpool	R	3	37	Luxor	S	19	66
Bordeaux	C	4	39	Majorca	C	10	50
Boulogne	C	—2	28	Malaga	R	14	57
Casblnca.	C	18	64	Malta	C	17	63
Cape Tn.	S	23	73	Nairobi	S	24	75
Corfu	C	15	59	Naples	F	10	50
Dubrovnik	C	9	48	Nice	S	9	48
Faro	C	16	61	Nicosia	S	18	64
Florence	C	5	41	Oporto	C	9	48
Funchal	C	19	66	Rhodes	S	15	59
Gibraltar	R	17	63	Salzburg	S	—10	14
Guernsey	C	6	43	Tangier	C	16	61
Innsbruck	S	—8	21	Tenerife	C	14	57
Inverness	C	3	37	Tunis	C	16	61
I. of Man	R	5	41	Valencia	C	10	50
Istanbul	S	10	50	Venice	S	—3	27

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog. Sn—Snow.

THE LEX COLUMN

Playing gilts for high stakes

Index rose 4.9 to 351.0



The City's gamble on falling interest rates is being played for much higher stakes than even at this time last year. A striking illustration of this is provided by the rapid build-up of discount market holdings of gilt-edged stocks. From just about nil ahead of the MLR rises in September and early October the market's holdings had risen by mid-November to an official £135m. (one year and over). And there was further big buying in the weeks before Christmas. Estimates of current holdings range from £250m. to £500m.

At these levels the discount houses gilt-edged exposure could well be the highest in nominal terms since the first half of 1972 just ahead of the period of serious losses in this sector which caused the houses to treat gilts with much more caution. Since then the discount market has held Government stocks only as trading counters.

The biggest recent in and out operation came a year ago when the houses jumped on to the gilt-edged bandwagon in a sizeable way. In January, 1976, they showed a peak disclosed holding of £230m. but were largely clear of gilts again by March when conditions turned stickier. This time they are attempting a similar manoeuvre but on a much larger scale and in conditions of unprecedented shortage in the money markets.

In effect the Bank of England through its money market assistance, which has been running into many hundreds of millions of pounds on some days, is financing these huge speculative positions—which are not confined just to the discount market. Yet the authorities are making gilt holders sweat it out by preventing any rapid fall in interest rates. Yesterday the Bank again signalled that MLR should not fall this afternoon.

So the discount market is having to carry its gilts at a running loss of between one and two and a half points. The gamble certainly looks a good one at this stage. But gilts are uncomfortably vulnerable to some unexpectedly nasty turn of events. And even if things go according to plan, short term holders like the discount houses will want to get out at some stage—which will test the ability of the longer term institutions to absorb stock.

Fodens

Fodens is recovering more or less according to plan, and it is back into profits for the first time since the institutions baled out its balance sheet during the summer of 1975. For the half year to October, it has produced £343,000 pre-tax compared with a loss of £797,000.

As much as three-fifths of these profits arose in South Africa, including an exchange profit of £105,000. But U.K. output has been building up steadily throughout 1976, with a weekly average of 32 units during the first ten months rising to a current figure of around 45. The year as a whole is expected to finish reasonably well, and overall profits could work out somewhere in the region of £1m. That would certainly be enough to fulfil the forecast of a "more normal" dividend.

But the group is going to be facing tight cash constraints for some time to come. Short-term borrowings, which totalled £5.4m. in April, seem set to rise a little this year while shareholders' funds are likely to be a little under £10m. At the time of the funding operation the overdraft facility was £6m., a figure which was said to need the support of some £10.7m. of net worth. Fodens remains confident that it can fulfil its plans within these tight limits: the risks are reflected in a capitalisation of about £4m. for the Ordinary and the convertible Preferred.

Dunford & Elliott

One of the undertakings given by Dunford and Elliott to its bankers when renegotiating its term loan agreements is that its tangible net worth by the autumn of 1979 will be not less than £28m. This compares with a figure of £16½m. after the completion of the current £3... rights issue, and with an offer from Johnson and Firth Brown which is currently worth under £4m. And it is a clear indication of the high degree of potential risks and rewards which lie ahead of the group if it retains its independence.

Dunford is counting on a 30 per cent. increase in output during the year to next October and is looking for further improvements in 1977-78. It also expects that its working capital will rise by only about a fifth in cash terms this year. On this basis, borrowings would fall marginally from a figure of £21m. after the rights issue, retentions would take shareholders' funds up to over £1... and cash flow would be building up strongly as the repayments on the £15m. term loans get under way during 1978.

But if these projections do not work out, the tight conditions of these loans mean that Dunford could easily be in need of new equity capital once again.

The first closing date of the current bid is next Wednesday and with Dunford (cum rights) currently standing a sixth higher than the bid price it looks most unlikely to succeed. The market's hope is that J. and FB will improve its terms, but in the absence of a bidder Dunford's shares are going to get a high risk rating for some time to come.

Eurobonds

A couple of years ago the death knell of the Eurobond market was being sounded. However, with $14.2bn. of issues under its belt this year (on Morgan Guaranty's reckoning), against $8.6bn. last year and $2.1bn. in 1972, the market is in a far healthier state these days. Its total size is close to $50bn. and around $5bn. of annual interest payments, sinking fund drawings, etc., provide a useful source of new investment funds. But, as always, the market's health depends on a favourable interest rate structure. Currently, investors can borrow 6-month eurodollars at 5... cent. and invest in bonds yielding close to 8 per cent.

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